

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400357305

Date Received:

12/31/2012

PluggingBond SuretyID

20030028

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER Pilot
SINGLE ZONE ☐ MULTIPLE ☐ COMMINGLE ☐Refiling ☐Sidetrack ☐3. Name of Operator: SWEPI LP4. COGCC Operator Number: 781105. Address: 4582 S ULSTER ST PKWY #1400City: DENVER State: CO Zip: 802376. Contact Name: Nancy Feck Phone: (307)367-7934 Fax: (307)367-4285Email: n.feck@shell.com7. Well Name: Herring Draw Well Number: 1-338. Unit Name (if appl): Williams Fork Unit Number: COC74956X9. Proposed Total Measured Depth: 5000

WELL LOCATION INFORMATION

10. QtrQtr: Lot 4 Sec: 33 Twp: 5N Rng: 90W Meridian: 6Latitude: 40.345861 Longitude: -107.505572Footage at Surface: 1171 feet FNL/FSL 1021 feet FEL/FWL
FNL FWL11. Field Name: Waddle Creek Field Number: 9045012. Ground Elevation: 6804 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 06/29/2011 PDOP Reading: 1.3 Instrument Operator's Name: D.Nelson15. If well is ☐ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1389 ft18. Distance to nearest property line: 321 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 800 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Niobrara	NBRR			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#:23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No23b. If 23 is No: ☒ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

Please see attached Mineral Lease description. 12,000' to unit boundry. This APD is for the Pilot hole that will not be a producing well.

25. Distance to Nearest Mineral Lease Line: 321 ft

26. Total Acres in Lease: 1163

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☒ Yes ☐ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

31. Mud disposal: ☒ Offsite ☐ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☐ Land Spreading ☒ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	30	20		0	80	156	80	0
SURF	13+1/2	10+3/4	40.5	0	700	388	700	0
1ST	9+7/8	7+5/8	29.7	0	2,720	267	2,720	500
OPEN HOLE	6+3/4			0	5,000	0	0	0

32. BOP Equipment Type: ☐ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments This APD is for a vertical pilot hole associated with API# 05-081-07717 00. The pilot hole will be evaluated to determine petrophysical and geological properties of the target interval. After evaluation is complete, the pilot hole will be plugged back with cement to 2720' MD/ 2720' TVD. Herring Draw location is part of the Williams Fork Unit COC74956X.

34. Location ID: 427213

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☒ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☐ Yes ☒ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Nancy Feck

Title: Regulatory Technician Date: 12/31/2012 Email: n.feck@shell.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: Matthew Lee Director of COGCC Date: 1/23/2013

API NUMBER

05 081 07717 01

Permit Number: _____ Expiration Date: 1/22/2015

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE NIOBRARA. VERIFY CEMENT WITH A CEMENT BOND LOG.

(3) IF THE PRODUCTION LINER IS CEMENTED, VERIFY CEMENT WITH A CEMENT BOND LOG.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400357305	FORM 2 SUBMITTED
400357694	CORRESPONDENCE
400358323	WELL LOCATION PLAT
400358377	SURFACE AGRMT/SURETY
400358573	TOPO MAP
400360847	MINERAL LEASE MAP
400363245	WELLBORE DIAGRAM

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected dist. to lease line to agree w/ prop. line. Corrected dist. to nearest well (Herring Draw 5-33). No LGD or public comments. Final Review--passed.	1/21/2013 9:49:10 AM
Engineer	THE SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 00 FEET DEEP.	1/8/2013 12:25:17 PM
Permit	Added -01 designation to this pilot hole; horizontal wellbore previously permitted as -00 wellbore.	1/4/2013 3:17:34 PM
Permit	This form passed completeness-ok per BW.	12/31/2012 7:13:13 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Material Handling and Spill Prevention	Spill Prevention Control & Countermeasure Plans (SPCC) are in place to address material releases and to prescribe materials handling BMPs for the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal.
Wildlife	<p>Per previous discussions with CPW for this well pad location the CPW recommendations and concerns include:</p> <ol style="list-style-type: none">1) Shell will make a good faith effort to finish drilling at this location outside of the period between December 1 and April 15.2) Shell agrees that if future reentry to this well site, if applicable, will occur outside of the period between December 1 and April 15.3) Interim and final reclamation will match existing vegetation.4) Avoid aggressive non-native grasses and shrubs in mule deer and elk habitat restoration.5) Shell will include a weed management plan and implement the plan as part of reclamation.6) Conduct post-development well site visitations between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in mule deer and elk winter range.7) Gate single-purpose road and restrict general public access to reduce traffic disruptions to wildlife - consistent with the surface owner's goals. <p>If possible please use any existing 2-track or other existing road or semi-road to minimize vegetation disturbance, soil disturbance, and potential access to the property.</p> <p>- See attached correspondence for complete email from CPW.</p>
Storm Water/Erosion Control	<p>Stormwater Management Plans (SWMP) are in place to comply with both Colorado Department of Public Health and Environment (CDPHE) and Colorado Oil and Gas Conservation Commission (COGCC). The construction layout for this well details Best Management Practices (BMP) to be installed during initial construction. Note that BMPs may be removed, altered, or replaced with changing conditions in the field and the SWMP will be updated accordingly. The BMPs prescribed for the initial construction phase include, but are not limited to:</p> <ul style="list-style-type: none">• Construction diversion ditch• Sediment reservoirs• Check dams• Level spreaders• Stabilized construction entrance• Slash• Sediment trap• Wattle• Terrace• Secondary containment berms• Detention ponds

Total: 3 comment(s)