

Feck, Nancy J SEPCCO-UAS/E/USON

From: Call, Renee R SEPCCO-PTW/U/W
Sent: Thursday, March 14, 2013 9:14 AM
To: Andrews - DNR, David
Cc: Feck, Nancy J SEPCCO-UAS/E/USON; Baldrige, Anne C SEPCCO-UAS/E/USON
Subject: RE: Deal Gulch 3-16 API 05-081-07765) Sidetrack
Attachments: DEAL GULCH 3-16 - ST1 - PLAN 2 - PROPOSAL.pdf.pdf

David,

The top of the Buck Peak came in at 5195' MD / 4743' TVD in the original wellbore.

Revised plugging plans are to cement from 5,389' MD to 4,870' MD inside intermediate casing where we will set a whipstock for the sidetrack. The plug is being set shallower than the proposal due to tight hole conditions below 5,389'.

Directional plan has been revised to target the original BHL, see attached.

Thank you,

Renee

From: Andrews - DNR, David [mailto:david.andrews@state.co.us]
Sent: Wednesday, March 13, 2013 6:01 PM
To: Call, Renee R SEPCCO-PTW/U/W
Cc: Jay Krabacher; Kevin King - DNR; Mark Weems - DNR; Jane Stanczyk - DNR; Don Sharp - DNR; Shaun Kellerby - DNR; Kris Neidel - DNR
Subject: Re: Deal Gulch 3-16 API 05-081-07765) Sidetrack

RE: 081-07765

Renee,

This email confirms my verbal approval to proceed with the sidetrack. As we discussed on the phone, I understand that the plug will be a few hundred feet shallower than indicated in your email. Please reply with the revised plug info and the Niobrara log top. Please coordinate with COGCC's Permit Tech (Don Sharp) on submittal of the required forms, as shown on the attached policy.

I understand that you are targeting the same objective formation but a different BHL. Therefore, my verbal approval to proceed is contingent upon the assumption that the BHL and wellbore path remain at a legal location for completion (COGCC permitting staff will evaluate prior to formal

approval of the forthcoming APD Form 2 for the sidetrack wellbore). If the BHL or the productive portion of the sidetrack wellbore extends into locations that are not legal, then Shell may have to plug back portion(s) of the well that are not legal or obtain waivers from offset mineral interests.

Thanks,

David D. Andrews, P.E., P.G.
Engineering Supervisor - Western Colorado

State of Colorado
Oil and Gas Conservation Commission
NEW ADDRESS. EFFECTIVE 1/3/2013:
796 Megan Avenue, Suite 201
Rifle, Colorado 81650
Office Phone: (970) 625-2497 Ext. 1
Cell Phone: (970) 456-5262
Fax: (970) 625-5682
E-mail: David.Andrews@state.co.us
Website: <http://www.colorado.gov/ocgcc>

On Wed, Mar 13, 2013 at 1:11 PM, <Renee.Call@shell.com> wrote:

David,

As discussed earlier, below are the plans for sidetracking on the Deal Gulch 3-16 production section.

- 1) Sidetracking due to issues with formation packing off in production section.
- 2) Total Measured depth= 7,718' MD
- 3) 7 5/8" Casing set at 5,013' MD
- 4) No fish, able to trip out of hole

- 5) Proposed plug from 6,200' MD into casing with 15.8 ppg cement. Planning to set 3 500' plugs with 30 percent excess. Will have additional cement on location to achieve desired TOC. Will have 110 bbl of cement on location.
- 6) 15.8 ppg Class G slurry, yield 1.16 ft³/sk
- 7) Proposed kick off point of 4,847'. Working to finalize directional plans. Planning to set whipstock and mill out of casing.
- 8) Targeting Wolf Mountain bench (same as original) at different azimuth and BHL to minimize interference with original wellbore
- 9) Targetting new BHL. Proposed directional plan attached, however this will change slightly as current plan does not account for whipstock at KOP.

Please let me know if you would like any additional information.

Thank you,

Renee Call

Drilling Engineer

Shell Exploration & Production Company

Office: +1.303.305.7575
Email: renee.call@shell.com