

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:

400396010

Date Received:

04/12/2013

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER CO2 Horiz. Lateral
SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

PluggingBond SuretyID

20110027

3. Name of Operator: KINDER MORGAN CO2 CO LP

4. COGCC Operator Number: 46685

5. Address: 17801 HWY 491

City: CORTEZ State: CO Zip: 81321

6. Contact Name: Paul Belanger Phone: (970)882-2464 Fax: (970)882-5521

Email: Paul_Belanger@kindermorgan.com

7. Well Name: GOODMAN POINT (GP) Well Number: 26

8. Unit Name (if appl): MCELMO DOME Unit Number: 47653X

9. Proposed Total Measured Depth: 9945

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 7 Twp: 36N Rng: 17W Meridian: N

Latitude: 37.392040 Longitude: -108.755470

Footage at Surface: 2327 feet FSL 241 feet FEL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6934 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 03/12/2013 PDOP Reading: 1.7 Instrument Operator's Name: GERALD G HUDDLESTON

15. 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
2327 FSL 241 FEL 921 FSL 1186 FWL
Sec: 7 Twp: 36N Rng: 17W Sec: 8 Twp: 36N Rng: 17W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 251 ft

18. Distance to nearest property line: 236 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1380 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.)
Leadville	LDVLL	389-1		

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. 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 No

23b. 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):
 7 36N17W: SHARED LEASES THAT AT LEAST INCLUDE SE1/4. (see attached) Sec. 8, 36N17W LEASE 5, THAT INCLUDES SW1/4 AND LOT 7.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 1247

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: DEWATER IN CLOSED

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	20	14		0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	2,919	1,100	2,919	0
1ST	8+3/4	7	29&32	0	7,868	1,700	7,868	0
OPEN HOLE	4+3/4							

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

33. Comments This is the horizontal borehole APD.

34. Location ID: _____

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: Paul E. Belanger

Title: Regulatory Contractor Date: 4/12/2013 Email: Paul_Belanger@KinderMorgan

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: 5/19/2013

API NUMBER 05 083 06703 01	Permit Number: _____	Expiration Date: <u>5/18/2015</u>
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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) Provide 48 hour notice of spud to COGCC and submit via form 42
- 2) The operator shall comply with Rule 321 and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 3) Run and submit Directional Survey for primary well bore and for each lateral section

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2518394	SURFACE AGRMT/SURETY
400396010	FORM 2 SUBMITTED
400396029	OTHER
400396030	H2S CONTINGENCY PLAN
400402094	DEVIATED DRILLING PLAN
400402096	DRILLING PLAN
400402097	DIRECTIONAL DATA
400402101	WELL LOCATION PLAT
400402104	OIL & GAS LEASE

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no public comment received.	5/13/2013 12:17:45 PM
LGD	Kinder Morgan has submitted the necessary county permit applications and are in the review process for obtain said permits.	4/25/2013 4:23:57 PM
Permit	Operator revised distance to property line to be 180 feet.	4/17/2013 11:50:14 AM
Permit	This permit is the lateral of a pilot/lateral drilling plan and this permit should have a sidetrack designation in the API number. Horizontal well crosses lease line. Distance to lease line is 0 feet. Distance to the pooling/unit boundary is 4220 feet.	4/16/2013 6:52:54 AM
Permit	On hold - Requested distance to Mcelmo Dome Unit boundary.	4/16/2013 6:50:54 AM
Permit	On hold - Well is 9 feet from a property line. Exception request to 603a2 and a waiver may be required.	4/16/2013 6:22:45 AM
Permit	This form has passed completeness.	4/15/2013 9:56:21 AM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>