

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:

400395190

Date Received:

04/19/2013

PluggingBond SuretyID

20110027

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER ☐ CO2 LATERAL ☐
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☒

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: DOE CANYON

Well Number: 14

8. Unit Name (if appl): DOE CANYON

Unit Number: 47612X

9. Proposed Total Measured Depth: 10451

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 14 Twp: 40N Rng: 18W Meridian: N

Latitude: 37.728770

Longitude: -108.814940

Footage at Surface: 987 feet FNL/FSL 2384 feet FEL/FWL
 FSL FEL

11. Field Name: DOE CANYON

Field Number: 17210

12. Ground Elevation: 7105

13. County: DOLORES

14. GPS Data:

Date of Measurement: 03/22/2013 PDOP Reading: 1.6 Instrument Operator's Name: R J CAFFEY

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
 987 FSL 2384 FEL 2284 FNL 2376 FEL
 Sec: 14 Twp: 40N Rng: 18W Sec: 14 Twp: 40N Rng: 18W

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: 2465 ft

18. Distance to nearest property line: 245 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3610 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			

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#: 2008005123a. 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):

40N/18W: 4 LEASES ATTACHED THAT INVOLVE THE SWNE, NWSE AND SWSE, SOME SHARED AND OTHER SECTIONS AND PORTIONS THEREOF NOT PERTINENT TO THIS DRILL PATH for a total of 1771 acres (see attached leases).

25. Distance to Nearest Mineral Lease Line: 250 ft

26. Total Acres in Lease: 1771

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: de-watered by closed loop

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	99	0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	2,411	1,100	2,411	0
1ST	8+3/4	7	29&32	0	8,380	2,400	8,380	0
OPEN HOLE	4+3/4							

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

33. Comments This is the APD for the horizontal borehole. The nearest producer DC9 to the NW. We are in the process of getting to COGCC a correctly updated map that reflects the proper unit boundaries and areas of all leases that have been incorporated into the unit. The nearest unit boundary is in reality over 5280'; however if one looks at the COGCC UNIT MAP (copy attached), it is 4660' due to a blank area occupied by DC7. The attached map will show the DC7 in an apparent undesignated area. However the area in white shown by the DC #7 is a Lease owned by Chevron, which has been pooled and unitized within the Doe Canyon Unit. ALL these lands & leases lie within the Exterior boundary of the Doe Canyon Unit, including the White DC #7 area.

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: 4/19/2013 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

05 033 06177 01

Permit Number: _____ Expiration Date: 5/18/2015

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) 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
400395190	FORM 2 SUBMITTED
400395222	H2S CONTINGENCY PLAN
400395224	OTHER
400402046	LEGAL/LEASE DESCRIPTION
400402048	LEGAL/LEASE DESCRIPTION
400402050	LEGAL/LEASE DESCRIPTION
400402052	LEGAL/LEASE DESCRIPTION
400402080	DRILLING PLAN
400405892	LEGAL/LEASE DESCRIPTION
400405895	LEGAL/LEASE DESCRIPTION
400405899	DEVIATED DRILLING PLAN
400405901	DIRECTIONAL DATA
400406079	WELL LOCATION PLAT
400406946	UNIT CONFIGURATION MAP

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	5/14/2013 1:52:33 PM
Permit	Distance to the pooling/unit boundary is 4655 feet.	5/14/2013 1:48:13 PM
Permit	This permit is the lateral of a pilot/lateral drilling plan and this permit should have a sidetrack designation in the API number.	5/14/2013 1:47:15 PM
Permit	Corrected typo in plugging bond. This form has passed completeness.	4/22/2013 7:37:37 AM

Total: 4 comment(s)

BMP

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