

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:

400417633

Date Received:

06/03/2013

PluggingBond SuretyID

20030028

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐

Sidetrack ☐

3. Name of Operator: SWEPI LP

4. COGCC Operator Number: 78110

5. Address: 4582 S ULSTER ST PKWY #1400

City: DENVER State: CO Zip: 80237

6. Contact Name: Steve Compton Phone: (303)305-4017 Fax: (303)305-7554

Email: C-Steven.Compton@Shell.com

7. Well Name: Wood Gulch Well Number: 2-36

8. Unit Name (if appl): Wood Gulch Unit Number: COC75414X

9. Proposed Total Measured Depth: 5550

WELL LOCATION INFORMATION

10. QtrQtr: LOT 12 Sec: 36 Twp: 4N Rng: 92W Meridian: 6

Latitude: 40.281014 Longitude: -107.661369

Footage at Surface: 600 feet FNL/FSL FNL 2637 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6569 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 10/12/2012 PDOP Reading: 1.5 Instrument Operator's Name: G. McElroy

15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 880 FNL 2747 FEL 941 FSL 949 FWL 941
Sec: 36 Twp: 4N Rng: 92W Sec: 36 Twp: 4N Rng: 92W

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: 1203 ft

18. Distance to nearest property line: 531 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 84 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 #: 1358.11

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):

Section 36, T4N, R92W. See attached map.

25. Distance to Nearest Mineral Lease Line: 941 ft

26. Total Acres in Lease: 652

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+0/0	20+0/0	0	0	90	48	90	0
SURF	13+1/2	10+3/4	40.5	0	600	337	600	0
1ST	9+7/8	7+5/8	29.7	0	1,597	96	1,597	797
1ST LINER	6+3/4	5+1/2	17	1397	5,550	0		

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

33. Comments Attachments include a drilling plan and a surface use plan. Distance to the nearest Unit boundary is 1450'.

34. Location ID: 429213

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: Anne Baldrige

Title: Reg & Env Lead - Swan

Date: 6/3/2013

Email: a.baldrige@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: _____

Director of COGCC

Date: 7/3/2013

API NUMBER

05 081 07783 00

Permit Number: _____

Expiration Date: 7/2/2015

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 TOP OF GAS (OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON). VERIFY CEMENT WITH A CBL.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2157151	CORRESPONDENCE
2157152	CORRESPONDENCE
400417633	FORM 2 SUBMITTED
400420283	DEVIATED DRILLING PLAN
400420291	DIRECTIONAL DATA
400420294	WELLBORE DIAGRAM
400420296	DRILLING PLAN
400420312	MINERAL LEASE MAP
400420322	WELL LOCATION PLAT
400420323	TOPO MAP
400420731	MINERAL LEASE MAP

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	State Land Board emailed 6/20/13. Copy of email from SLB approving second well on pad attached. Corrected distance to unit boundary to 1450'. Corrected distance to nearest min. lease to 941' per oper. No LGD or public comments. Final Review--passed.	7/1/2013 1:31:14 PM
Engineer	THE PROPOSED 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.	6/11/2013 2:44:01 PM
Permit	This form has passed completeness.	6/4/2013 10:11:12 AM
Permit	Returned to draft: 1) Distance to nearest well must be filled in.	3/3/2013 3:29:41 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Storm Water/Erosion Control	<p>Storm Water 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) storm water discharge permits. The construction layout for this location details Best Management Practices (BMP's) to be installed during the initial construction. Note that BMP's may be removed, altered, or replaced with the changing conditions in the field and the SWMP will be updated accordingly. The BMP's prescribed for the initial construction phase include, but are not limited to:</p> <ul style="list-style-type: none">• Construct diversion ditch• Sediment Reservoirs• Check dams• Level spreaders• Stabilized construction entrance• Slash• Sediment Traps• Wattles• Terrace• Secondary containment berms• Detention ponds
Interim Reclamation	Shell will consult with and follow the recommendations of the County Weed Supervisor.
Material Handling and Spill Prevention	Spill Prevention Control and Countermeasure Plans (SPCC) are in place to address material releases and to prescribe materials handling BMP's for the facility. "Good Housekeeping" measures will be taken to ensure proper waste disposal.

Total: 3 comment(s)