



## LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

E/2 Section 8, T38N, R18W = 320 acres

Total Acres in Described Lease: 320 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 190 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1200 Feet  
Building Unit: 1200 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 1166 Feet  
Above Ground Utility: 1200 Feet  
Railroad: 5280 Feet  
Property Line: 188 Feet

### INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

## DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone  
☐ Exception Zone  
☐ Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: \_\_\_\_\_

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: \_\_\_\_\_

## SPACING and UNIT INFORMATION

Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 3225 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 5280 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): McElmo

Unit Number: 47653X

## SPACING & FORMATIONS COMMENTS

## OBJECTIVE FORMATIONS

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		

## DRILLING PROGRAM

Proposed Total Measured Depth: 8701 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: \_\_\_\_\_ Feet ☒ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? Yes (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

Will salt sections be encountered during drilling? Yes

Will salt based (>15,000 ppm Cl) drilling fluids be used? Yes

Will oil based drilling fluids be used? No

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

## GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

## DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE

Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: OFFSITE

Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Fluids: Recycle as much as possible; any excess will go to a licensed UIC disposal facility. Cuttings are dewatered in a closed loop system and disposed of at a permitted commercial solid waste facility.

Beneficial reuse or land application plan submitted? \_\_\_\_\_

Reuse Facility ID: \_\_\_\_\_ or Document Number: \_\_\_\_\_

## CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	20	16	55	0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	2744	1200	2744	0
1ST	8+3/4	7	29 & 32	0	8326	2200	8326	0
1ST LINER	6	4+1/2	12.6	8176	8701	100	8701	8176

☐ Conductor Casing is NOT planned

## DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

## GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

## RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number \_\_\_\_\_

## OTHER LOCATION EXCEPTIONS

Check all that apply:

☐ Rule 318.c. Exception Location from Rule or Spacing Order Number \_\_\_\_\_

☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

## OPERATOR COMMENTS AND SUBMITTAL

Comments This is a refile of the approved CX-8 Form 2 (Document #400758212) that is set to expire on 3/30/2017. The approved Form 2A (Document #400758213) is still associated with this well. There have been no changes to the surrounding land use, well construction plan, or mineral lease description. The proposed well site has not been built, nor is any drilling taking place on the well site.

A revised Drilling and H2S Contingency Plan have been attached to this Form 2. The following attachments from Document #400758212 are all still valid: Open Hole Logging Exception, Selected Items Report, Well Location Plat, Oil & Gas Lease (2), and Selected Items Report.

Work is expected to begin in Spring, 2017. The drilling process will take approximately 60 days. Interim reclamation will begin approximately six months after the rig is removed from the location.

No hydraulic fracturing is being planned.

There are no water wells, seeps or springs located within a .5 mile radius of the CX-8 well location. A Form 4 will be filed accordingly.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: \_\_\_\_\_

Is this application being submitted with an Oil and Gas Location Assessment application? \_\_\_\_\_ Yes

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

Signed: \_\_\_\_\_ Print Name: Chris Lopez

Title: EHS Specialist Date: \_\_\_\_\_ Email: christopher\_lopez@kindermorg

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: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

### API NUMBER

05 083 06722 00

## Conditions Of Approval

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.

### COA Type

### Description

## Best Management Practices



No	BMP/COA Type	Description
1	Planning	<p>A Kinder Morgan Fire Mitigation Plan is currently on file with the Montezuma County Planning Office.</p> <p>Any material not in use that might constitute a fire hazard will be removed a minimum of 25 feet from the wellhead, tanks and separator.</p> <p>Any electrical installations inside the bermed area will comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado.</p>
2	Traffic control	<p>A Road Use Plan, which addresses traffic concerns specific to the CX-8, is currently on file with Montezuma County. Kinder Morgan will consult with the county Road and Bridge Supervisor to ensure that all county-related traffic concerns are addressed.</p> <p>All access roads are fully compliant with local county road standards. Access roads are composed of compacted gravel. In an effort to mitigate dust, magnesium-chloride applications to the road surface are performed at the request of Montezuma County.</p> <p>This well is covered by Kinder Morgan's Cow Canyon State Highway Access Permit and Method of Handling Traffic plan currently on file with CDOT.</p>
3	General Housekeeping	<p>Erosion control barriers, namely fiber wattles, will be placed at the edge of disturbance where necessary. Care will be taken to avoid disturbance outside of the project area unless it is deemed necessary for equipment stability and fire safety.</p> <p>During construction, drilling and completion phases, on-site trash dumpsters are emptied regularly by the local waste management company.</p> <p>The proposed location will be drilled using a closed-loop system and therefore will not use open pits.</p> <p>During drilling and completion operations, safety officers are present on location to ensure that livestock, wildlife and unauthorized personnel do not enter the location.</p> <p>Following completion, the only items present on the well pad are the well head, above ground pipeline junction, and possible glycol skid.</p>
4	Storm Water/Erosion Control	<p>Diversion ditches will be implemented to divert run-on and run-off around the well pad. Compacted earthen berms will also be utilized to control stormwater run-on and run-off.</p> <p>Tackifier will be added to stored topsoil piles and all slopes to prevent erosion. Stockpiled soils will have slopes not greater than 3:1.</p> <p>Stormwater BMP's will be maintained/amended by Kinder Morgan as site conditions change throughout the construction and reclamation process.</p>
5	Material Handling and Spill Prevention	<p>The use of a closed-loop drilling system will reduce the amount of waste produced and water used during drilling operations. Solid cuttings will be disposed of at a commercial solid waste facility.</p> <p>Water that can no longer be reused or recycled will be disposed of in a Class I disposal well.</p> <p>Sufficiently impervious containment devices will be constructed around any condensate and produced water tanks. The containment devices will be sufficiently impervious to contain any spilled or released material. All containment devices will be inspected at regular intervals and maintained in good condition.</p> <p>Tanks are designed to meet all API 650 guidelines.</p>

6	Construction	<p>All equipment will be stored within the right-of-way (ROW) area of disturbance. Top soil will be removed to create a level pad for drilling and access road.</p> <p>Vegetation that does not need to be removed will be avoided during construction and removed vegetation will be cut near ground level, leaving the root system intact except where permanent facilities, roads, or ROW's, and well pads require the complete removal of vegetation.</p>
7	Noise mitigation	During normal operations, the well will remain within COGCC regulations for noise. However, during the construction phase of the project, this standard may be occasionally exceeded.
8	Emissions mitigation	<p>Non-flammable CO2 will be produced from the Leadville formation and thus green completion per Rule 805(3) does not apply.</p> <p>All CO2 wells are equipped with a CO2 leak detection monitor during drilling.</p>
9	Drilling/Completion Operations	<p>Kinder Morgan submitted an 'Open Hole Logging' Exception request that was accepted with the original approved Form 2 (Document #400758212). Kinder Morgan requested for an exception to Rule 317.p, requiring wells to be logged with a minimum of a resistivity log with gamma ray, and instead run a Cased Hole Pulse Nuetron Log due to problems with exploration through the gothic Shale formation.</p> <p>The CX-8 will also be cased-hole logged with a cement bond and gamma ray log from the TD point to the surface. The Drilling Completion Report (Form 5) will indicate that "no open-hole logs were run" for the intermediate cased hole interval to surface; below that point the Leadville zone is open-hole logged and logs will be submitted.</p>
10	Drilling/Completion Operations	<p>Blowout preventer equipment (BOPE) complies with COGCC equopment regulations. Mineral Management certification or Director approved training for blowout prevention has been conducted for at least one person at the well site during drilling operations.</p> <p>Kinder Morgan conducts a BOPE test and files a 24 hour notice (Form 42) at the initial rig-up time, after each casing emplacement, and/or every 30 days.</p> <p>Adequate blowout prevention equipment is used on all well servicing operations.</p> <p>Backup stabbing valves are used on well servicing operations during reverse circulation and are pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.</p> <p>No pits are present at the well site.</p>
11	Interim Reclamation	This location is currently classified as 'Dry Land' agriculutre. Surface roughening, surface contouring, seeding, and weed control will be employed to faciliitate vegetation reestablishment. A standard stabilized 'Working Area' 150 feet by 250 feet in size will be maintained as level, graveled and weed free for maintenance/workover activities. The area surrounding the Working Area will be returned to Dry Land agriculture or re-seeded with a surface owner approved seed mix.
12	Final Reclamation	All disturbed areas that are not necessary for operational procedures will be resotred to at least 80 percent of pre-disturbance vegetative cover.

Total: 12 comment(s)

### **Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
401203617	DRILLING PLAN
401203618	H2S CONTINGENCY PLAN
401204315	OPEN HOLE LOGGING EXCEPTION

Total Attach: 3 Files

## General Comments

User Group

Comment

Comment Date

		Stamp Upon Approval
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Total: 0 comment(s)



## Public Comments

No public comments were received on this application during the comment period.

