

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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| DE | ET | OE | ES |
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Document Number:

400042079

Plugging Bond Surety

20060139

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

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

Refiling ☒

Sidetrack ☐

3. Name of Operator: OXY USA INC

4. COGCC Operator Number: 66561

5. Address: PO BOX 27757

City: HOUSTON State: TX Zip: 77227

6. Contact Name: Joan Proulx Phone: (970)263-3641 Fax: (970)263-3694

Email: joan_proulx@oxy.com

7. Well Name: Stites Well Number: 20-7

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 6933

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 20 Twp: 9S Rng: 94W Meridian: 6

Latitude: 39.265403 Longitude: -107.900218

| | | |
|---------------------------------|------------|------------------------|
| | FNL/FSL | FEL/FWL |
| Footage at Surface: <u>1455</u> | <u>FNL</u> | <u>1104</u> <u>FEL</u> |

11. Field Name: Buzzard Field Number: 9495

12. Ground Elevation: 6666 13. County: MESA

14. GPS Data:

Date of Measurement: 03/29/2007 PDOP Reading: 2.2 Instrument Operator's Name: Jim Grabowski

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 |
| <u>1507</u> | <u>FNL</u> | <u>1991</u> | <u>1507</u> | <u>FNL</u> | <u>1991</u> |
| | | <u>FEL</u> | | | <u>FEL</u> |
| Sec: <u>20</u> | Twp: <u>9S</u> | Rng: <u>94W</u> | Sec: <u>20</u> | Twp: <u>9S</u> | Rng: <u>94W</u> |

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: 236 ft

18. Distance to nearest property line: 158 ft 19. Distance to nearest well permitted/completed in the same formation: 270 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Mesa Verde | MVRD | 429-5 | | |

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):
See attached mineral lease map. Hanson lease.

25. Distance to Nearest Mineral Lease Line: 203 ft 26. Total Acres in Lease: 80

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☐ Offsite ☒ Onsite

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Other: Onsite Reserve Pit

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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| CONDUCTOR | 26+0/0 | 16+0/0 | | 60 | 0 | 60 | 0 |
| SURF | 12+1/4 | 8+5/8 | 32.0 | 1,500 | 350 | 1,500 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 6,933 | 640 | 6,933 | |

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

33. Comments Initial Rule 306 consultation took place on 7/12/2006. 30-day notice has been waived per Surface Use Agreement. 1. The pad has been built.
2. The pit has been constructed.
3. This refile will not require any expansion/additional surface disturbance of the pad.
4. The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).
5. The location is not in a wildlife restricted surface occupancy area.

34. Location ID: 334519

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: Joan Proulx

Title: Regulatory Analyst Date: 2/20/2010 Email: joan_proulx@oxy.com

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: David S. Nesline Director of COGCC Date: 4/21/2010

Permit Number: _____ Expiration Date: 4/20/2011

API NUMBER

05 077 09923 00

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)24-HOUR SPUD NOTICE REQUIRED.E-MAIL Shaun.Kellerby@state.co.us (2)CEMENT-TOP VERIFICATION BY CBL REQUIRED. (3)THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS.AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1. (4)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 200 FEET DEEP.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------|----------------------|
| 400044514 | FORM 2 SUBMITTED | LF@2428210 400044514 |

Total Attach: 1 Files