

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:

400049669

Plugging Bond Surety

20060137

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 WTP LP

4. COGCC Operator Number: 66571

5. Address: P O 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: Cascade Creek Well Number: 697-10-42B

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

9. Proposed Total Measured Depth: 9989

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 15 Twp: 6S Rng: 97W Meridian: 6

Latitude: 39.529566 Longitude: -108.213084

Footage at Surface: 241 FNL/FSL FNL 673 FEL/FWL FWL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 8347 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 12/23/2009 PDOP Reading: 1.3 Instrument Operator's Name: John Richardson

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

Footage at Top of Prod Zone: FNL/FSL 1609 FSL 947 FWL 1828 FSL 979 FWL
Sec: 10 Twp: 6S Rng: 97W Sec: 10 Twp: 6S Rng: 97W

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: 3707 ft

18. Distance to nearest property line: 255 ft 19. Distance to nearest well permitted/completed in the same formation: 437 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | 510-15 | | |

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 Description

25. Distance to Nearest Mineral Lease Line: 3103 ft 26. Total Acres in Lease: 9480

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: 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 | 20+0/0 | 16+0/0 | 65# | 80 | 0 | 80 | |
| SURF | 14+3/4 | 9+5/8 | 36# | 2,690 | 1,420 | 2,690 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.# | 8,889 | 2,056 | 8,889 | 6,486 |

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

33. Comments Oxy is both the surface and mineral owner. Rule 305 and 306 are waived. The well pad has been constructed, there are no producing wells on this location; there is currently no drilling rig on this pad. Drilling operations are projected to commence sometime in 2010. Since the last permit was filed, there have not been any changes in the lease or mineral situation and surface location. The well pad will not need to be altered. A semi-closed loop system will be used. Per GarCo Vacation Ordinance dated 10-5-1987, CR 213 is now OXY's private property north of Sec 8, 7S, 97W, 6 PM. Oxy will comply with new "Notice to Operators" regarding reserve pits (June 12, 2008). Oxy will provide appropriate housing for essential personnel in order to conduct safe, efficient drilling operations at this well site.

34. Location ID: 335921

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: 3/26/2010 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. Neslin Director of COGCC Date: 5/21/2010

Permit Number: _____ Expiration Date: 5/20/2012

API NUMBER

05 045 19502 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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) GARFIELD COUNTY RULISON FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE

3) CEMENT TOP VERIFICATION BY CBL REQUIRED.

4) COMPLY WITH ALL PROVISIONS OF THE JUNE 12, 2008 NOTICE TO OPERATORS DRILLING WELLS WITHIN 3/4 MILE OF THE RIM OF THE ROAN PLATEAU IN GARFIELD COUNTY - PIT DESIGN, CONSTRUCTION AND MONITORING REQUIREMENTS. SEE ATTACHED NOTICE.

5) 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 000 FEET DEEP.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|-------------------------|----------------------|
| 400049670 | WELL LOCATION PLAT | LF@2444020 400049670 |
| 400049671 | DRILLING PLAN | LF@2444021 400049671 |
| 400049672 | TOPO MAP | LF@2444022 400049672 |
| 400049673 | LEGAL/LEASE DESCRIPTION | LF@2444023 400049673 |
| 400050633 | FORM 2 SUBMITTED | LF@2444024 400050633 |

Total Attach: 5 Files