

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



| | | | |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

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 ☐

Document Number:

400058647

Plugging Bond Surety

20060139

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: Ute Water Federal Well Number: 27-14B

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

9. Proposed Total Measured Depth: 7623

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 27 Twp: 9S Rng: 94W Meridian: 6

Latitude: 39.245576 Longitude: -107.870781

Footage at Surface: 1697 FNL/FSL FSL 1953 FEL/FWL FWL

11. Field Name: Brush Creek Field Number: 7562

12. Ground Elevation: 7191 13. County: MESA

14. GPS Data:

Date of Measurement: 07/28/2008 PDOP Reading: 2.4 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 520 FSL 2073 FEL/FWL FWL Bottom Hole: FNL/FSL 520 FSL 2073 FEL/FWL FWL
Sec: 27 Twp: 9S Rng: 94W Sec: 27 Twp: 9S Rng: 94W

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: 3000 ft

18. Distance to nearest property line: 401 ft 19. Distance to nearest well permitted/completed in the same formation: 1529 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 | 429-4 | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC-64795

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: 401 ft 26. Total Acres in Lease: 480

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: 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 | 24+0/0 | 16+0/0 | 0.25 wall | 90 | | 90 | |
| SURF | 12+1/4 | 9+5/8 | 36# | 1,500 | 429 | 1,500 | |
| 1ST | 7+7/8 | 4+1/2 | 11.6# | 7,706 | 922 | 7,706 | |

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

33. Comments Split fee estate (fee surface/Federal minerals) with the Federal lease expiring May, 2011. Pad has not been constructed. Rule 305 and 306 are waived per the Surface Use Agreement. Drilling operations are projected to commence in 2010.

34. Location ID: 334497

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: 5/6/2010 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: 7/22/2010

API NUMBER

05 077 10098 00

Permit Number: _____ Expiration Date: 7/21/2012

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) 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 110 FEET DEEP.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 1791688 | WELL LOCATION PLAT | LF@2510931 1791688 |
| 400058647 | FORM 2 SUBMITTED | LF@2465810 400058647 |
| 400058881 | WELL LOCATION PLAT | LF@2465811 400058881 |
| 400058882 | TOPO MAP | LF@2465812 400058882 |
| 400058883 | DEVIATED DRILLING PLAN | LF@2465813 400058883 |
| 400058884 | DRILLING PLAN | LF@2465814 400058884 |
| 400058885 | SURFACE PLAN | LF@2465815 400058885 |
| 400058886 | SURFACE PLAN | LF@2465816 400058886 |
| 400060157 | FED. DRILLING PERMIT | LF@2465817 400060157 |
| 400060189 | MINERAL LEASE MAP | LF@2465818 400060189 |

Total Attach: 10 Files