

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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Document Number:

400087555

Plugging Bond Surety

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: My Way Ranch Federal A Well Number: 5-15C

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

9. Proposed Total Measured Depth: 7387

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 8 Twp: 10S Rng: 94W Meridian: 6

Latitude: 39.210320 Longitude: -107.912864

Footage at Surface: 498 FNL/FSL FNL 629 FEL/FWL FWL

11. Field Name: Plateau Field Number: 69300

12. Ground Elevation: 6857 13. County: MESA

14. GPS Data:

Date of Measurement: 06/24/2010 PDOP Reading: 3.4 Instrument Operator's Name: Dave J. Murrey

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

Footage at Top of Prod Zone: FNL/FSL 204 FSL 2120 FEL 318 FEL/FSL 1830 FEL 1830
Sec: 5 Twp: 10S Rng: 94W Sec: 5 Twp: 10S 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: 4950 ft

18. Distance to nearest property line: 419 ft 19. Distance to nearest well permitted/completed in the same formation: 1000 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	166-23		

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC 64799

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 Bon ☐ \$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: 502 ft 26. Total Acres in Lease: 742

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: _____

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	65	90	100	90	0
SURF	12+1/4	8+5/8	32	1,000	280	1,000	0
1ST	7+7/8	4+1/2	11.6	7,351	1,820	7,351	900

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

33. Comments The well pad has been constructed and there are 3 producing Federal wells and 1 shut-in well on this location. A semi-closed loop system will be used. The plat references a "flare pit;" this is not a pit but a flare box.

34. Location ID: 334541

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: 9/1/2010 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: 10/28/2010

API NUMBER

05 077 10111 00

Permit Number: _____ Expiration Date: 10/27/2012

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) 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) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.

(5) THE 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
2089361	LEGAL/LEASE DESCRIPTION	LF@2603462 2089361
2590162	DRILLING PLAN	LF@2538284 2590162
400087555	FORM 2 SUBMITTED	LF@2538214 400087555
400089644	TOPO MAP	LF@2538215 400089644
400089645	WELL LOCATION PLAT	LF@2538216 400089645
400089647	MINERAL LEASE MAP	LF@2538217 400089647
400089649	DEVIATED DRILLING PLAN	LF@2538218 400089649
400090229	FED. DRILLING PERMIT	LF@2538219 400090229
400090230	CORRESPONDENCE	LF@2538220 400090230
400090235	SURFACE AGRMT/SURETY	LF@2538221 400090235

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Attached correct mineral lease description and deleted erroneous attachment	10/18/2010 1:38:24 PM
Permit	Changed distance to nearest well to 1,000', lease lind distance to 502' to match multi-well plan Mineral lease map supplied is for a different lease	10/15/2010 4:53:05 PM
Permit	resubmitted with correction on 9/8; added SUA and other attachments that were originally on the 2A; omitted duplicate attachment (dev. drlg plan/drlg plan - identical names/identical #pages)	9/9/2010 7:34:01 AM
Permit	put to draft: top of prod 610' FEL DOES NOT MAKE SENSE; NEED SUA attached; possibly others attached to form 2A need to come over to this form; emailed opr	9/2/2010 2:28:40 PM

Total: 4 comment(s)

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