

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 |
|----|----|----|----|

Document Number:
400113606
Plugging Bond Surety
20080058

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER CO2
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

3. Name of Operator: KINDER MORGAN CO2 CO LP 4. COGCC Operator Number: 46685

5. Address: 17801 HWY 491
City: CORTEZ State: CO Zip: 81321

6. Contact Name: Paul Belanger Phone: (970)882-2464 Fax: (970)882-5521
Email: Paul_Belanger@kindermorgan.com

7. Well Name: Goodman Point Well Number: 9

8. Unit Name (if appl): MCELMO DOME Unit Number: 47653X

9. Proposed Total Measured Depth: 8143

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 2 Twp: 36N Rng: 18W Meridian: N
Latitude: 37.404330 Longitude: -108.791580

Footage at Surface: 1542 feet FNL/FSL FSL 285 feet FEL/FWL FEL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6828 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 07/24/2007 PDOP Reading: 2.8 Instrument Operator's Name: Gerald G. Huddleston

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

Sec: Twp: Rng: Sec: Twp: Rng:

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: 255 ft

18. Distance to nearest property line: 285 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Leadville | LDVLL | 389-1 | 203234 | |

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 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):
 KM is the surface owner; see oil and gas lease. S1S1/2, S2NESE OF 36N18W NMPM; S2 W2&SESE 36N18W NMPM ; The attached OG lease is a combination of 2 lease agreements; the combined leases make it 1140' from the nearest non-leased property

25. Distance to Nearest Mineral Lease Line: 1140 ft 26. Total Acres in Lease: 365

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

Method: Land Farming Land Spreading Disposal Facility Other: de-water and cover

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 | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 24 | 14 | | | 80 | 40 | 80 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | | 3,075 | 800 | 3,075 | 0 |
| 1ST | 8+3/4 | 7 | 29 | | 7,968 | 1,770 | 7,968 | 0 |
| OPEN HOLE | 6 | | | | 8,143 | 100 | 8,143 | 7,968 |

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

33. Comments This well is the Pilot hole for the planned lateral that was later completed; it is labeled a sidetrack since the APD was submitted after the horizontal well was completed as a -00 well. See GP 9 form 2058903 for the original horizontal APD for API 05-083-06633-00 Goodman Point 9 - horizontal well originally permitted. This permit will change the Pilot Hole to suffix 00. No 30-day since KM is the land owner.

34. Location ID: 313609

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: Paul E. Belanger

Title: Regulatory Contractor Date: 12/9/2010 Email: Paul_Belanger@KinderMorgan.

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: 2/27/2011

Permit Number: _____ Expiration Date: 2/26/2013

API NUMBER

05 083 06633 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) Provide 48 hour notice of spud to COGCC field inspector Leslie Melton (970) 375-6419 or les.melton@state.co.us
- 2) The operator shall comply with Rule 321 and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 3) Run and submit Directional Survey for primary well bore and for each lateral section
- 4) Submit CBL on 7" production casing

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 400113606 | FORM 2 SUBMITTED |
| 400113637 | H2S CONTINGENCY PLAN |
| 400114920 | TOPO MAP |
| 400114921 | WELL LOCATION PLAT |
| 400114922 | OIL & GAS LEASE |
| 400114923 | DRILLING PLAN |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|--------------------------|
| Permit | PERMITTING PASSED- JLV | 2/22/2011 4:21:54 PM |
| Permit | The Pilot Hole suffix will be 00 and the Horizontal suffix will be 01. JLV | 12/27/2010 2:56:09 PM |

Total: 2 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)