

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

STATE OF COLORADO
OIL & GAS

DEETOEES

Document Number:

400155989

Plugging Bond Surety

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: WILLIAMS PRODUCTION RMT COMPANY LLC

4. COGCC Operator Number: 96850

5. Address: 1001 17TH STREET - SUITE #1200
City: DENVER State: CO Zip: 80202

6. Contact Name: Howard Harris Phone: (303)606-4086 Fax: (303)629-8268
Email: howard.harris@williams.com

7. Well Name: Federal Well Number: RGU 424-25-198

8. Unit Name (if appl): Ryan Gulch Unit Unit Number: COC068239

9. Proposed Total Measured Depth: 12661

WELL LOCATION INFORMATION

10. QtrQtr: Lot 14 Sec: 25 Twp: 1S Rng: 98W Meridian: 6
Latitude: 39.928014 Longitude: -108.346262
Footage at Surface: 317 feet FNL/FSL 1417 feet FEL/FWL
11. Field Name: Sulphur Creek Field Number: 80090
12. Ground Elevation: 6684 13. County: RIO BLANCO

14. GPS Data:
Date of Measurement: 02/24/2011 PDOP Reading: 1.0 Instrument Operator's Name: J. Kirkpatrick

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
388 FSL 1866 FWL 388 FSL 1866 FWL
Sec: 25 Twp: 1S Rng: 98W Sec: 25 Twp: 1S Rng: 98W

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: 613 ft

18. Distance to nearest property line: 7157 ft 19. Distance to nearest well permitted/completed in the same formation: 647 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | Unspaced | | Unspaced |
| Sego | SEGO | | | |
| Williams Fork | WMFk | | | |

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: COC60733

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

25. Distance to Nearest Mineral Lease Line: 388 ft 26. Total Acres in Lease: 1238

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: Re-Use, Evap & Backfill

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 | 30 | 18 | 48 | 0 | 80 | 100 | 80 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36 | 0 | 3,893 | 1,560 | 3,893 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6 | 0 | 12,661 | 1,054 | 12,661 | 7,561 |

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

33. Comments Top of cement for production casing will be approx 200 feet above top of Mesaverde. Federal minerals and Surface. See Williams Production RMT Master 10 Point Drilling Plan dated 3/24/11 for all specific drilling stipulations. Closed mud system.

34. Location ID: 316657

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: Howard Harris

Title: Sr. Regulatory Specialist Date: 4/28/2011 Email: Howard.Harris@Williams.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: 5/19/2011

API NUMBER Permit Number: _____ Expiration Date: 5/18/2013

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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) 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.

(3) 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.

(4) 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 1978 FEET DEEP.

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 400155989 | FORM 2 SUBMITTED |
| 400160015 | DEVIATED DRILLING PLAN |
| 400160016 | DEVIATED DRILLING PLAN |
| 400160017 | LEGAL/LEASE DESCRIPTION |
| 400160018 | FED. DRILLING PERMIT |
| 400160019 | WELL LOCATION PLAT |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|-----------------------|----------------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
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Total: 0 comment(s)