

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:

400135891

Plugging Bond Surety

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 (GP) Well Number: 23
8. Unit Name (if appl): MCELMO DOME Unit Number: 47653X
9. Proposed Total Measured Depth: 10518

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 32 Twp: 37N Rng: 18W Meridian: N
Latitude: 37.423480 Longitude: -108.848010

Footage at Surface: 1544 feet FNL/FSL 448 feet FEL/FWL FEL

11. Field Name: MCELMO Field Number: 53674
12. Ground Elevation: 6460 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 12/19/2008 PDOP Reading: 1.8 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 1679 FNL 1528 FEL 1914 FNL 1868 FWL 1914 FNL 1868 FWL 1914
Sec: 32 Twp: 37N Rng: 18W Sec: 32 Twp: 37N Rng: 18W

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: 5280 ft

18. Distance to nearest property line: 4650 ft 19. Distance to nearest well permitted/completed in the same formation: 85 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 #: COC22373/1
2038

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):
2 LEASES INVOLVED: COC022373 (318.52 ac.): EAST HALF S32 37N18W (316.6 ac.); COC12038: WEST 1/2 S32 37N18W. See attached lease documents and maps. Nearest well is 85' status DA. Fed lease Sundry attached due to change of BHLand due to entering into W 1/2 S32 (COC 012038)

25. Distance to Nearest Mineral Lease Line: 400 ft 26. Total Acres in Lease: 635

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| OPEN HOLE | 4+3/4 | | | 8457 | | | | 8,457 |

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

33. Comments HORIZONTAL APD FOR PILOT APD DOCNUM 2583582 for which a Sundry has been submitted for a newly defined directional Pilot Hole. The originally approved APD had been for one horizontally drilled borehole drilled to the south; geologic re-evaluation also altered original plan changing BHL azimuth to the west. Fed permit for east 1/2 S32 attached; Fed permit Sundry for W 1/2 S32 attached. This APD is for completing the horizontal leg of this well from the KOP at 8457' whereby the wellbore is completed open hole and not logged or perf'd.

34. Location ID: 393066

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: 4/22/2011 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. Nashin Director of COGCC Date: 5/31/2011

Permit Number: _____ Expiration Date: 5/30/2013

API NUMBER

05 083 06688 01

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 M. Weems at 970-259-4587 or mark.weems@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

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 400135891 | FORM 2 SUBMITTED |
| 400156439 | H2S CONTINGENCY PLAN |
| 400156440 | UNIT CONFIGURATION MAP |
| 400156442 | DRILLING PLAN |
| 400156443 | DEVIATED DRILLING PLAN |
| 400156444 | FED. DRILLING PERMIT |
| 400156445 | WELL LOCATION PLAT |
| 400156518 | TOPO MAP |
| 400156827 | LEASE MAP |
| 400156833 | LEGAL/LEASE DESCRIPTION |
| 400157154 | FED. DRILLING PERMIT |

Total Attach: 11 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| LGD | The Board of County Commissioners approved the high impact permit request for the proposed well pad, well and tie-in pipelines on April 18, 2011. All County permits are in place. | 4/25/2011 9:18:20 AM |

Total: 1 comment(s)

BMP

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

Total: 0 comment(s)