

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

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:

400179630

Plugging Bond Surety

19880020

3. Name of Operator: MARATHON OIL COMPANY4. COGCC Operator Number: 536505. Address: 5555 SAN FELIPECity: HOUSTON State: TX Zip: 770566. Contact Name: Anna Walls Phone: (713)296-3468 Fax: (713)513-4394Email: avwalls@marathonoil.com7. Well Name: 596-35D Well Number: 23

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

9. Proposed Total Measured Depth: 10728

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 35 Twp: 5S Rng: 96W Meridian: 6Latitude: 39.567880 Longitude: -108.131350
 Footage at Surface: 1264 feet FNL/FSL FSL 1129 feet FEL/FWL FEL
11. Field Name: Grand Valley Field Number: 3129012. Ground Elevation: 8118.6 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 06/21/2007 PDOP Reading: 1.9 Instrument Operator's Name: William H Dolinar15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 1802 FSL 660 FEL FEL Bottom Hole: FNL/FSL 1802 FSL 660 FEL FEL
 Sec: 35 Twp: 5S Rng: 96W Sec: 35 Twp: 5S Rng: 96W
16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1 mi18. Distance to nearest property line: 1129 ft 19. Distance to nearest well permitted/completed in the same formation: 640 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Williams Fork | WMFK | 510-18 | 320 | S/2 |

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 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 - purple

25. Distance to Nearest Mineral Lease Line: 838 ft 26. Total Acres in Lease: 4541

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

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: evaporation/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 | 26 | 20 | | 0 | 140 | | 140 | 0 |
| SURF | 14+3/4 | 9+5/8 | 36 | 0 | 2,300 | 1,000 | 2,300 | 0 |
| 1ST | 8+3/4 | 4+1/2 | 11.6 | 0 | 10,728 | 675 | 10,728 | 5,500 |

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

33. Comments Surface owned by: Chevron Minerals owned by: Chevron There are no visible improvements within 400' of wellhead.(1) Pad has been built. (2) Pit has been constructed. (3) Refiled well will not require any expansion/additional surface disturbance of the pad. (4) The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).(5) The location is not in a wildlife RSO.

34. Location ID: 335922

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: Anna Walls

Title: Regulatory Compliance Rep Date: 6/30/2011 Email: avwalls@marathonoil.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. Nesline Director of COGCC Date: 7/22/2011

Permit Number: _____ Expiration Date: 7/21/2013

API NUMBER

05 045 15822 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) 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) THE NEARBY HILLSIDE MUST BE MONITORED FOR ANY DAY LIGHTING DRILLING FLUIDS THROUGHOUT THE DRILLING OF THE SURFACE CASING INTERVAL.

4) COMPLY WITH ALL PROVISIONS OF THE JUNE 12, 2008 NOTICE TO OPERATORS DRILLING WELLS WITHIN 3/4 MILE OF THE RIM OF THE ROAN PLATEAU IN GARFIELD COUNTY - PIT DESIGN, CONSTRUCTION AND MONITORING REQUIREMENTS. SEE ATTACHED NOTICE.

5) 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 000 FEET DEEP.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 400179630 | FORM 2 SUBMITTED |
| 400180556 | 30 DAY NOTICE LETTER |

Total Attach: 2 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> |
|-------------|---------------------------------------|
| Wildlife | see approved Wildlife Mitigation Plan |

Total: 1 comment(s)