

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		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%;">DE</td> <td style="width:25%;">ET</td> <td style="width:25%;">OE</td> <td style="width:25%;">ES</td> </tr> </table>	DE	ET	OE	ES
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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:
 400179737
 Plugging Bond Surety
 19880020

3. Name of Operator: MARATHON OIL COMPANY 4. COGCC Operator Number: 53650

5. Address: 5555 SAN FELIPE
 City: HOUSTON State: TX Zip: 77056

6. Contact Name: Anna Walls Phone: (713)296-3468 Fax: (713)513-4394
 Email: avwalls@marathonoil.com

7. Well Name: 697-21A Well Number: 16

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

9. Proposed Total Measured Depth: 9250

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 21 Twp: 6S Rng: 97W Meridian: 6

Latitude: 39.509420 Longitude: -108.218280

Footage at Surface: 2301 feet FNL 800 feet FEL
FNL/FSL FEL/FWL

11. Field Name: Grand Valley Field Number: 31290

12. Ground Elevation: 8368 13. County: GARFIELD

14. GPS Data:

Date of Measurement: 06/12/2007 PDOP Reading: 2.0 Instrument Operator's Name: John Dolinar

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
1800 FNL 1981 FEL 1800 FNL 1981 FEL
 Sec: 21 Twp: 6S Rng: 97W Sec: 21 Twp: 6S Rng: 97W

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: 2000 ft

18. Distance to nearest property line: 2301 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	N/2

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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

25. Distance to Nearest Mineral Lease Line: 1800 ft 26. Total Acres in Lease: 5325

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: 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	20	16		0	140		140	0
SURF	14+3/4	9+5/8	36	0	2,000	1,000	2,000	0
1ST	8+3/4	4+1/2	11.6	0	9,250	675	9,250	5,500

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

33. Comments Surface owned by: Oxy 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: 335476

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: 6/29/2011 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 14714 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) 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.
- (4) THE NEARBY HILLSIDE MUST BE MONITORED FOR ANY DAY-LIGHTING DRILLING FLUIDS THROUGHOUT THE DRILLING OF THE SURFACE-CASING INTERVAL.
- (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 00 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400179737	FORM 2 SUBMITTED
400180394	30 DAY NOTICE LETTER

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected elevation to match well location plat	7/6/2011 1:20:52 PM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Wildlife	see approved Wildlife Mitigation Plan

Total: 1 comment(s)