

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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Document Number:

400170937

PluggingBond SuretyID

20030028

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

3. Name of Operator: SWEPI LP

4. COGCC Operator Number: 78110

5. Address: 4582 S ULSTER ST PKWY #1400

City: DENVER State: CO Zip: 80237

6. Contact Name: Michael L. Bergstrom Phone: (303)222-6347 Fax: (303)222-6258

Email: Michael.Bergstrom@shell.com

7. Well Name: Dawson Creek Well Number: 1-25

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

9. Proposed Total Measured Depth: 10785

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 25 Twp: 6N Rng: 88W Meridian: 6

Latitude: 40.450486 Longitude: -107.213367

Footage at Surface: 2032 feet FNL 1639 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6660 13. County: ROUTT

14. GPS Data:

Date of Measurement: 05/10/2011 PDOP Reading: 2.9 Instrument Operator's Name: B. Hunting

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 2493 FNL 855 FWL 971 FSL 2022 FEL
Sec: 25 Twp: 6N Rng: 88W Sec: 26 Twp: 6N Rng: 88W

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: 1295 ft

18. Distance to nearest property line: 919 ft 19. Distance to nearest well permitted/completed in the same formation: 17760 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.)
Niobrara Shale	NBRR			

21. Mineral Ownership: Fee State Federal Indian Lease #: 8603.5 & 8602.5

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):

Sections 25 & 26 (all), T6N, R88W

25. Distance to Nearest Mineral Lease Line: 971 ft 26. Total Acres in Lease: 1280

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: _____

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
SURF	13+1/2	10+3/4	40.5	0	1,600	708	1,600	0
1ST	9+7/8	7+5/8	29.7	0	6,000	533	6,000	1,400
2ND	6+3/4	5+1/2	17	0	10,285	0		

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

33. Comments A Form 15 for a pit permit is being submitted concurrently with the Form 2 & 2A for Dawson Creek 1-25.

34. Location ID: _____

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: Michael L. Bergstrom

Title: Senior Regulatory Advisor Date: 6/18/2011 Email: Michael.Bergstrom@shell.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: 8/15/2011

API NUMBER
05 107 06242 00

Permit Number: _____ Expiration Date: 8/14/2013

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.

Before placing oil/salt based muds in the pit, operator must file and receive prior approval of a Pit Permit, Form 15. COGCC regulations regarding pit permits can be found in Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS.

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) 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 260 FEET DEEP.

Attachment Check List

Att Doc Num	Name
400170937	FORM 2 SUBMITTED
400173755	WELL LOCATION PLAT
400173756	TOPO MAP
400173857	DEVIATED DRILLING PLAN

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received verbal approval from Tim Kelly with the SLB bonding is good	7/6/2011 10:25:58 AM
LGD	<p>Routt County has a permitting process for all oil/gas operaiotns. Shell Oil is aware of this and has been working with the County.</p> <p>This site is located approximatley 2 miles south of the Yampa Valley Regional Airport. The operator is required to file with the FAA for an evaluation and approval of drilling operations.</p> <p>Safety requirements may be required during drill operations for traffic on the county road. Visibility by taffic travelling from the south is limited and signate or flaggers used to warn of truck traffic may be required.</p> <p>The well pad location is within mapped areas for Sharpe-tailed Grouse leks and production areas. It is also located approx 1 mile from mapped areas for Greater Sage Grouse Production areas and approx 1.8 mile from Greater Sage Grouse lek and brood areas. Operation from this well site should be prohibited for drilling operations March through July and maintenance and access to the site during these months after drilling operations are complete should be limitedand access to the site limited to the hours of 9 a.m. to 4 p.m. Reserve pits should be reclaimed immediatley after drilling operations or closed loop system used. If pits are used they should be fenced, flagged and netted. Any equipment, lines or fencing on-site should have raptor perch deterrrents. The operator should also implement measures to minimize noise and vibrations from any equipment left on site. After drilling operations the well pad and access road should be closely monitored and mainted for weed control and if possible reduction of the sides/shoulder of the access roadand reseeded along shoulders to help mitigate fragmentation of the environment.</p>	6/29/2011 10:02:47 AM
Permit	Added commingle as no and field as wildcat Pending SLB approval of bonding	6/27/2011 10:11:41 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Storm Water/Erosion Control	<p>Stormwater Management Plans (SWMP) are in place to comply with both Colorado Department of Public Health and Environment (CDPHE) and Colorado Oil and Gas Control Commission (COGCC) stormwater discharge permits. The construction layout for Dawson Creek 1-25 details Best Management Practices (BMP) to be installed during initial construction. Note that BMPs may be removed, altered, or replaced with changing conditions in the field and the SWMP will be updated accordingly.</p> <p>The BMPs prescribed for the initial construction phase include, but are not limited to</p> <ul style="list-style-type: none">• Construction diversion ditch• Sediment reservoirs• Check dams• Level spreaders• Stabilized construction entrance• Slash• Sediment trap• Wattle• Terrace• Secondary containment berms• Detention ponds
Material Handling and Spill Prevention	<p>Spill Prevention Plans (SPCC) are in place to address material releases and to prescribe materials handling BMPs for the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal.</p>
Wildlife	<p>See Wildlife BMPs CDOW attachment for complete email from CDOW.</p> <ul style="list-style-type: none">• Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.• Prior to development, establish baseline vegetation condition and inventory and to provide a basis for post-development habitat restoration.• Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife.• Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation.• Avoid aggressive non-native grasses and shrubs in mule deer and elk habitat restoration.• Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.• Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseeding where possible.

Total: 3 comment(s)