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Document Number:
400220029

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: Herring Draw Well Number: 1-33
 8. Unit Name (if appl): Williams Fork Unit Number: COC74956X
 9. Proposed Total Measured Depth: 8400

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 33 Twp: 5N Rng: 90W Meridian: 6
 Latitude: 40.345931 Longitude: -107.505956
 Footage at Surface: 1143 feet FNL 914 feet FWL
 11. Field Name: Waddle Creek Field Number: 90450
 12. Ground Elevation: 6804 13. County: MOFFAT

14. GPS Data:
 Date of Measurement: 06/28/2011 PDOP Reading: 2.1 Instrument Operator's Name: D. Nelson

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: 1001 FNL 997 FWL Bottom Hole: 2649 FNL 1732 FEL
 Sec: 33 Twp: 5N Rng: 90W Sec: 28 Twp: 5N Rng: 90W

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: 1485 ft
 18. Distance to nearest property line: 428 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1800 ft

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 #: _____
 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):

Please see Mineral Lease Map attachment for a mineral lease description and map.

25. Distance to Nearest Mineral Lease Line: 0 26. Total Acres in Lease: 1720

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
CONDUCTOR	30	20		0	80	156	80	0
SURF	13+1/2	10+3/4	40.5	0	450	283	450	0
1ST	9+7/8	7+5/8	29.7	0	3,133	297	3,133	1,000
2ND	6+3/4	5+1/2	17	0	7,957	0		

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

33. Comments Herring Draw 1-33 is a part of the Williams Fork Federal Unit COC74956X. Attachments include a drilling and completion plan.

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: 12/13/2011

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. Nesline

Director of COGCC Date: 1/6/2012

API NUMBER
05 081 07717 00

Permit Number: _____ Expiration Date: 1/5/2014

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) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE NIOBRARA. VERIFY CEMENT WITH A CEMENT BOND LOG.

(3) IF THE PRODUCTION LINER IS CEMENTED, VERIFY CEMENT WITH A CEMENT BOND LOG.

(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 00 FEET DEEP.

Before placing oil/salt based muds in a 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.

Attachment Check List

Att Doc Num	Name
400220029	FORM 2 SUBMITTED
400227709	TOPO MAP
400227710	WELL LOCATION PLAT
400227711	MINERAL LEASE MAP
400227716	DEVIATED DRILLING PLAN
400229078	SURFACE AGRMT/SURETY

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No public or LGD comments Comprehensive Final Review status -- Passed	1/3/2012 11:31:38 AM
Permit	Changed field to Waddle Creek 90450	12/19/2011 10:47:58 AM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Material Handling and Spill Prevention	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.
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 Conservation Commission (COGCC) stormwater discharge permits. The construction layout for Herring Draw 1-33 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 stormwater management plan will be updated accordingly. The BMPs prescribed for the initial construction phase include, but are not limited to:</p> <ul style="list-style-type: none">• Construct diversion ditch• Sediment reservoirs• Check dams• Level spreaders• Stabilized construction entrance• Slash• Sediment trap• Wattle• Terrace• Secondary containment berms• Detention ponds
Wildlife	<p>See Colorado Division of Parks and Wildlife (CPW) BMPs attachment for complete email from CPW.</p> <p>CPW recommendations and concerns:</p> <ol style="list-style-type: none">1) Shell will make a good faith effort to finish drilling at this location outside of the period between December 1 and April 15.2) Shell agrees that if future reentry to this well site, if applicable, will occur outside of the period between December 1 and April 15.3) Interim and final reclamation will match existing vegetation.4) Avoid aggressive non-native grasses and shrubs in mule deer and elk habitat restoration.5) Shell will include a weed management plan and implement the plan as part of reclamation.6) Conduct post-development well site visitations between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in mule deer and elk winter range.7) Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife - consistent with the surface owner's goals. <p>If possible please use any existing 2 track or other existing road or semi road to minimize vegetation disturbance, soil disturbance and potential access to the property.</p>

Total: 3 comment(s)