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Document Number:
 400231433
 PluggingBond SuretyID
 20060137

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: OXY USA WTP LP 4. COGCC Operator Number: 66571
 5. Address: P O BOX 27757
 City: HOUSTON State: TX Zip: 77227
 6. Contact Name: Joan Proulx Phone: (970)263.3641 Fax: (970)263.3694
 Email: joan_proulx@oxy.com
 7. Well Name: Shell Well Number: 797-03-08B
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 7359

WELL LOCATION INFORMATION

10. QtrQtr: Tct 71 Sec: 3 Twp: 7S Rng: 97W Meridian: 6
 Latitude: 39.479610 Longitude: -108.201980
 Footage at Surface: 783 feet FNL/FSL 1486 feet FEL/FWL FEL
 11. Field Name: Grand Valley Field Number: 31290
 12. Ground Elevation: 6484 13. County: GARFIELD

14. GPS Data:
 Date of Measurement: 08/17/2011 PDOP Reading: 1.7 Instrument Operator's Name: B Baker

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 524 FNL 125 FEL FEL Bottom Hole: FNL/FSL 524 FNL 125 FEL FEL
 Sec: 3 Twp: 7S Rng: 97W Sec: 3 Twp: 7S 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: 13086 ft
 18. Distance to nearest property line: 1163 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 364 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.)
Williams Fork	WMFK	510-26		

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 Mineral Lease Description

25. Distance to Nearest Mineral Lease Line: 125 ft 26. Total Acres in Lease: 4764

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	20+0/0	16+0/0	65	0	90	90	90	0
SURF	14+3/4	9+5/8	36	0	1,300	614	1,300	0
1ST	8+3/4	4+1/2	11.6	0	7,330	1,705	7,330	3,795

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

33. Comments The Shell 797-03A well pad has not been constructed. A semi-closed loop system will be used. Per GarCo Vacation Ordinance dated 10-5-1987, CR 213 is now OXY's private property north of Sec 8, 7S, 97W, 6 PM. Oxy will provide appropriate housing for essential personnel in order to conduct safe, efficient drilling operations at this well site. OXY USA WTP LP has an agreement with Shell Frontier Oil & Gas, Inc., whereby Oxy is able to build pads and drill wells on Shell property.

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: Joan Proulx

Title: Regulatory Analyst Date: 12/14/2011 Email: joan_proulx@oxy.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: 1/15/2012

API NUMBER
05 045 21284 00

Permit Number: _____ Expiration Date: 1/14/2014

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) GARFIELD COUNTY RULISON-FIELD NOTICE TO OPERATORS. NOTE: ALL NOTICES SHALL BE GIVEN VIA E-MAIL. SEE ATTACHED NOTICE.
- (3) OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL-SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST-MANAGEMENT-PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS.
- (4) THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS. AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1.
- (5) NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.
- (6) 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
400231433	APD APPROVED
400231437	TOPO MAP
400231438	LEGAL/LEASE DESCRIPTION
400231440	WELL LOCATION PLAT
400231441	DEVIATED DRILLING PLAN
400241115	FORM 2 SUBMITTED

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	1/9/2012 9:15:16 AM
Permit	Added comment to Operator Comments indicating OXY has an agreement with Shell Changed distance to nearest surface feature to correspond to the information reported on the OGLA	12/20/2011 5:08:56 PM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)