

FORM
2Rev
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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APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER CO2
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐Refiling ☐Sidetrack ☐

Document Number:

400224243

PluggingBond SuretyID

20110027

3. Name of Operator: KINDER MORGAN CO2 CO LP4. COGCC Operator Number: 466855. Address: 17801 HWY 491City: CORTEZ State: CO Zip: 813216. Contact Name: Paul Belanger Phone: (970)882-2464 Fax: (970)882-5521Email: Paul_Belanger@kindermorgan.com7. Well Name: YG Well Number: 18. Unit Name (if appl): MCELMO DOME Unit Number: 047653X9. Proposed Total Measured Depth: 8373

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 14 Twp: 37N Rng: 18W Meridian: NLatitude: 37.466310 Longitude: -108.798690Footage at Surface: 1796 feet FNL/FSL 1915 feet FEL/FWL FEL11. Field Name: MCELMO Field Number: 5367412. Ground Elevation: 6661 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 11/01/2011 PDOP Reading: 1.6 Instrument Operator's Name: R J CAFFEY15. 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

Sec: Twp: Rng: Sec: Twp: Rng:

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1961 ft18. Distance to nearest property line: 200 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3300 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.)
Leadville	LDVLL			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 2008005123a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☒ No23b. 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):

37N18W: SECTION 12:SESW;SECTION 13:NE1/4; SECTION 14: S1/2NE, SENW NESW. 38N18W: SECTION 20: S1/2S1/2; SECTION 29: N1/2N1/2; SECTION 30: E1/2E1/2.

25. Distance to Nearest Mineral Lease Line: 844 ft

26. Total Acres in Lease: 840

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: de-water/cover/salt disp. fclt

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	24	20		0	80	100	80	0
SURF	12+1/4	9+5/8		0	2,899	100	2,899	0
1ST	8+3/4	7		0	7,998	1,770	7,998	0
OPEN HOLE	6			7998				7,998

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

33. Comments This is the APD application for the vertical pilot hole as explained in the drilling plan; after production casing is set it will be drilled OH, logged and plugged back to a KOP for the horizontal well bore portion of the well. Form 15 pit permit is being submitted for 2 pits: pit 1 for most of the cuttings will be left on-site, de-watered and covered; Salt section cuttings and muds in vertical pilot will be de-watered and solids hauled offsite to disposal facility. YD4 is the nearest LDVLL producer to the BHL of this vertical pilot

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: Paul E. Belanger

Title: Regulatory Contractor Date: 2/10/2012 Email: Paul_Belanger@KinderMorgan.

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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

Att Doc Num	Name
400224243	FORM 2 SUBMITTED
400247559	H2S CONTINGENCY PLAN
400247560	OTHER
400247566	DRILLING PLAN
400247568	WELL LOCATION PLAT
400247569	TOPO MAP
400247574	CONST. LAYOUT DRAWINGS
400247575	OTHER
400251043	LEGAL/LEASE DESCRIPTION

Total Attach: 9 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>

Total: 0 comment(s)