

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:

400224201

PluggingBond SuretyID

20110027

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 ☒

3. Name of Operator: KINDER MORGAN CO2 CO LP

4. COGCC Operator Number: 46685

5. Address: 17801 HWY 491

City: CORTEZ State: CO Zip: 81321

6. Contact Name: Paul Belanger Phone: (970)882-2464 Fax: (970)882-5521

Email: Paul_Belanger@kindermorgan.com

7. Well Name: DOE CANYON Well Number: 13

8. Unit Name (if appl): DOE CANYON Unit Number: 47612X

9. Proposed Total Measured Depth: 10398

WELL LOCATION INFORMATION

10. QtrQtr: TRK 69 Sec: 9 Twp: 40N Rng: 18W Meridian: N

Latitude: 37.750750 Longitude: -108.851690

Footage at Surface: 1560 feet FNL 2437 feet FEL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 7091 13. County: DOLORES

14. GPS Data:

Date of Measurement: 09/20/2011 PDOP Reading: 3.2 Instrument Operator's Name: R.J Caffey

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

Footage at Top of Prod Zone: 1560 FNL 2437 FEL 562 FNL 1112 FEL
Sec: 9 Twp: 40N Rng: 18W Sec: 9 Twp: 40N Rng: 18W

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: 1486 ft

18. Distance to nearest property line: 215 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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 ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20080051

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):

tracts 69 below surface and vertical pilot, the well will continue horizontally going to the Northwest (az. 300 degrees) and crossing a small portion of tract 68 and continuing into the Horizontal BHL of tract 67. Distance to nearest unaffected lease line for this well is about 725' (tract 70). See attached leases (tracts 69, 68 and 67) = 681 ac.

25. Distance to Nearest Mineral Lease Line: 720 ft

26. Total Acres in Lease: 681

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		0
SURF	12+1/4	9+5/8	36	0	2,471	965	2,471	0
1ST	8+3/4	7	29&32	0	8,398	1,490	8,393	0
OPEN HOLE	4+3/4			8398	10,398			

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

33. Comments This is the horizontal borehole portion from the vertical pilot hole; see APD docnum 400224186. Form 15 pit permit being submitted for 2 pits: pit 1 for most of the cuttings will be left on-site, de-watered and covered; NO Salt section cuttings and muds expected in horizontal wellbore. A KOP will be established from the vertical pilot after logging a 6" OH. The KOP is expected to be around 8398' and drilling to TD as a 4 1/4" OH that will then be completed per drilling plans. Conductor/surface and production casing described for the pilot hole APD docnum 400224168; re-entered here so this could be submitted.

34. Location ID: 427705

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: 12/28/2011

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: David S. Nesline

Director of COGCC

Date: 2/16/2012

API NUMBER

05 033 06172 01

Permit Number: _____ Expiration Date: 2/15/2014

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) Provide 48 hour notice of spud to COGCC inspector Steve Labowskie 970-259-0945 steve.labowskie@state.co.us
- 2) The operator shall comply with Rule 321 and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.
- 3) Run and submit Directional Survey for primary well bore and for each lateral section

Attachment Check List

Att Doc Num	Name
1792398	WAIVERS
1792399	VARIANCE REQUEST
400224201	FORM 2 SUBMITTED
400234223	ACCESS ROAD MAP
400234224	CONST. LAYOUT DRAWINGS
400234226	LEASE MAP
400234228	WELL LOCATION PLAT
400234231	H2S CONTINGENCY PLAN
400234232	OTHER
400234237	DRILLING PLAN
400234238	DEVIATED DRILLING PLAN
400235641	LEGAL/LEASE DESCRIPTION

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	2/14/2012 7:00:13 AM
Permit	The attached waiver and variance request letters do not pertain to this APD. The distance to property line is 205'.	1/17/2012 9:41:48 AM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)