

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



Document Number:

400224189

Date Received:

02/10/2012

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: HA Well Number: 4

8. Unit Name (if appl): MCELMO DOME Unit Number: 047653X

9. Proposed Total Measured Depth: 8630

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 29 Twp: 38N Rng: 18W Meridian: N

Latitude: 37.519540 Longitude: -108.855420

Footage at Surface: 1508 feet FNL/FSL 2521 feet FEL/FWL FEL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6708 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 10/17/2011 PDOP Reading: 1.6 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: 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 ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 612 ft

18. Distance to nearest property line: 180 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5170 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):

38N18W: S29: S1/2N1/2, N1/2S1/2, S1/2SW, SWSE. S31: E1/2NE. S32:N1/2NW,NWNE

25. Distance to Nearest Mineral Lease Line: 180 ft 26. Total Acres in Lease: 640

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	36	0	2,847	1,100	2,847	0
1ST	8+3/4	7	29&32	0	8,225	1,770	8,255	0
OPEN HOLE	6			8255				8,255

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.distance from next nearest LDVLL is 5170 to the HA2

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

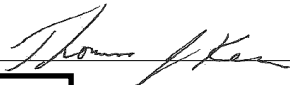
36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

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: 3/30/2012

API NUMBER

05 083 06693 00

Permit Number: _____ Expiration Date: 3/29/2014

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 field inspector Steve Labowskie 970-259-0945
 steve.labowskie@state.co.us
 Provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, Email Address
- 2) Submit CBL on 7" production casing

Attachment Check List

Att Doc Num	Name
400224189	FORM 2 SUBMITTED
400247654	H2S CONTINGENCY PLAN
400247655	OTHER
400250482	DRILLING PLAN
400250490	LEGAL/LEASE DESCRIPTION
400250492	WELL LOCATION PLAT
400250494	CONST. LAYOUT DRAWINGS

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Pilot. Final review completed.	3/29/2012 5:55:08 AM
Permit	The nearest county road we can determine from COGCC maps is on the order of 612'. Any road see in the aerial photos (part of which I copy/pasted below) beyond that point is private and does not have public access. Please correct our form 2A, "Cultural section public road" to 612' (docnum 400227363), and correct the form2s "distance to nearest building, public road, above ground utility or railroad" to 612' (for doc nums: 400224189 & 400224207). Thanks Let me know if you need anything further. PAUL	3/1/2012 5:27:27 AM
Permit	Requested clarification of distance to nearest feature @189' as Form 2A location drawing states "no visible improvements within 400 feet". LGD and public comments expire 3-1/12.	2/29/2012 8:35:54 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)