

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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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 ☐

Refilling ☐Sidetrack ☐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: YA Well Number: 68. Unit Name (if appl): MCELMO DOME Unit Number: 047653X9. Proposed Total Measured Depth: 8275

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 13 Twp: 37N Rng: 18W Meridian: NLatitude: 37.460830 Longitude: -108.777240

Footage at Surface: 1488 feet FNL/FSL 959 feet FEL/FWL FEL

11. Field Name: MCELMO Field Number: 5367412. Ground Elevation: 6723 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 10/27/2011 PDOP Reading: 1.9 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: 971 ft18. Distance to nearest property line: 209 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 800 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 13 N1/2SE, SWSE NESW

25. Distance to Nearest Mineral Lease Line: 168 ft

26. Total Acres in Lease: 160

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	2,925	1,100	2,925	0
1ST	8+3/4	7	29/32/29	0	7,900	1,770	7,900	0
OPEN HOLE	6						8,275	7,900

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

33. Comments This is the APD application for the vertical pilot hole; 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 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 vertical portion to YA4 BHL is 800'.

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 06694 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
1792444	WELL LOCATION PLAT
400224213	FORM 2 SUBMITTED
400246301	DRILLING PLAN
400246302	WELL LOCATION PLAT
400246303	CONST. LAYOUT DRAWINGS
400246307	TOPO MAP
400246680	OTHER
400246681	H2S CONTINGENCY PLAN
400250560	LEGAL/LEASE DESCRIPTION

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Pilot. Final review completed.	3/29/2012 6:01:50 AM
Permit	LGD and public comment period expires 3/1/12	2/29/2012 1:57:48 PM
Permit	Operator corrected deleted directional template. This form has passed completeness.	2/10/2012 11:06:49 AM
Permit	Returned to draft. According to 15 vertical but directional template is uploaded.	2/10/2012 9:50:19 AM
Permit	Returned to draft. According to 15 vertical but directional template is uploaded.	2/10/2012 9:39:03 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)