

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:

400224214

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 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: 9905

WELL LOCATION INFORMATION

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

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

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
1488 FSL 959 FEL 2344 FNL 462 FWL
 Sec: 13 Twp: 37N Rng: 18W Sec: 18 Twp: 37N Rng: 17W

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): 1875 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 (160ac.). 37N17W: SECTION 18: LOT 5, LOT 6 AND E1/2NW (158.68ac). SECTION 6: NENW(aka Tract 61); SECTION 18: LOTS 7, LOT8, E1/2SW (200ac.).

25. Distance to Nearest Mineral Lease Line: 462 ft

26. Total Acres in Lease: 519

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 and cover

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	4+3/4							

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

33. Comments This is the APD application for the horizontal wellbore drilled with a 4 3/4" bit OH. 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 7900' 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 400224213; re-entered here so this could be submitted. ABOUT 1875' SEPARATE THE NEAREST WELL (YA5) FROM THE BHL OF THIS HORIZONTAL PORTION OF THIS APD.

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 01

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 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) 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
400224214	FORM 2 SUBMITTED
400246312	DEVIATED DRILLING PLAN
400246314	DRILLING PLAN
400246315	DIRECTIONAL DATA
400246317	WELL LOCATION PLAT
400246318	CONST. LAYOUT DRAWINGS
400246319	TOPO MAP
400246682	H2S CONTINGENCY PLAN
400246684	OTHER
400250983	LEGAL/LEASE DESCRIPTION
400250984	LEGAL/LEASE DESCRIPTION
400250986	LEGAL/LEASE DESCRIPTION

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Horizontal wellbore #01. Final review completed.	3/29/2012 6:03:40 AM
Permit	LGD and public comments expire on 3/1/12	2/29/2012 2:24:22 PM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)