

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:

400224255

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: YG Well Number: 2

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

9. Proposed Total Measured Depth: 10008

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 14 Twp: 37N Rng: 18W Meridian: N

Latitude: 37.460940 Longitude: -108.804470

Footage at Surface: 1524 feet FSL 1664 feet FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6623 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 11/01/2011 PDOP Reading: 1.7 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 FNL/FSL Bottom Hole: FNL/FSL FNL/FSL
1524 FSL 1664 FWL 1752 FNL 1667 FWL
Sec: 14 Twp: 37N Rng: 18W Sec: 14 Twp: 37N 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: 4339 ft

18. Distance to nearest property line: 225 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1800 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):

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

25. Distance to Nearest Mineral Lease Line: 204 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 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	2,942	1,100	2,942	0
1ST	9+3/4	7	29&32	0	8,003	1,770	8,003	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 as explained in the drilling plans attached. A 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; NO Salt section cuttings and muds expected in this horizontal wellbore. A KOP will be established from the vertical pilot after logging a 6" OH. The KOP is expected to be around 8008' 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 400224254; re-entered here so this could be submitted. Horizontal BHL is ~1800' from YD4

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 06695 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
400224255	FORM 2 SUBMITTED
400247576	H2S CONTINGENCY PLAN
400247577	OTHER
400247581	DEVIATED DRILLING PLAN
400247582	DIRECTIONAL DATA
400247584	DRILLING PLAN
400247585	WELL LOCATION PLAT
400247588	TOPO MAP
400247592	CONST. LAYOUT DRAWINGS
400251041	LEGAL/LEASE DESCRIPTION

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	3/29/2012 5:44:34 AM
Permit	Horizontal borehole to be #01.	3/12/2012 5:40:34 AM
Permit	The question I see on the form is: "Distance to nearest Mineral lease line" I HAD been taking it for the BHL of the APD in question. But as in YB6 yesterday (where the horizontal crossed into another mineral lease = and thus we said zero feet) I should look at the whole wellbore – in which case you are correct. It should be 204'; please change Distance to mineral lease line to be 204 feet. Fyi-the fee lease is the same for the entire wellbore path (so not zero feet in terms of crossing into another lease) Paul, Paul E. Belanger, Geologist	3/1/2012 8:30:09 AM
Permit	Distane to nearest mineral lease line was given as 347' but the SHL distance was given as the TOP therefore, the distance should match the distance given on the vertical borehole of 204'. Emailed Paul Belanger for clarification. LGD and public comment period expires on 3/1/12.	3/1/2012 6:41:27 AM
Permit	Operator erased SS numbers on lease. This form has passed completeness.	2/10/2012 1:27:56 PM
Permit	Returned to draft. SS numbers on lease.	2/10/2012 12:41:47 PM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)