

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:

400224245

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: YG Well Number: 18. Unit Name (if appl): MCELMO DOME Unit Number: 047653X9. Proposed Total Measured Depth: 10003

## WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 14 Twp: 37N Rng: 18W Meridian: NLatitude: 37.466310 Longitude: -108.798690

Footage at Surface: 1796 feet FNL 1915 feet FEL  
 FNL/FSL FEL/FWL

11. Field Name: MCELMO Field Number: 5367412. Ground Elevation: 6661 13. County: MONTEZUMA

## 14. GPS Data:

Date of Measurement: 11/01/2011 PDOP Reading: 1.6 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  
1796 FNL 1915 FEL 1797 FNL 115 FEL  
 Sec: 14 Twp: 37N Rng: 18W Sec: 14 Twp: 37N Rng: 18W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1961 ft18. Distance to nearest property line: 200 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2615 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 12:SESW;SECTION 13:NE1/4; SECTION 14: S1/2NE, SENW NESW. 38N18W: SECTION 20: S1/2S1/2; SECTION 29: N1/2N1/2; SECTION 30: E1/2E1/2.

25. Distance to Nearest Mineral Lease Line: 115 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		0	2,899	1,100	2,899	0
1ST	8+3/4	7		0	7,998	1,770	7,998	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 7998' 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 400224243; re-entered here so this could be submitted. BHL of horizontal is about 2615' from YA3 (13-37-18)

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 06697 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
400224245	FORM 2 SUBMITTED
400247561	H2S CONTINGENCY PLAN
400247562	OTHER
400247564	DEVIATED DRILLING PLAN
400247565	DIRECTIONAL DATA
400247567	DRILLING PLAN
400247570	WELL LOCATION PLAT
400247571	TOPO MAP
400247572	CONST. LAYOUT DRAWINGS
400247573	OTHER
400251045	LEGAL/LEASE DESCRIPTION

Total Attach: 11 Files

### **General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Final review completed.	3/29/2012 6:31:55 AM
Permit	Distance to nearest lease line is 115' as per operator.	3/29/2012 6:31:15 AM
Permit	Horizontal borehole to be #01.	3/12/2012 5:36:14 AM
Permit	SO – working from the plat, I would say VERTICAL PILOT docnum 400224243 should be 470' to the nearest lease to the north coc26376 lease And the HORIZONTAL BHL: docnum 4002242345 SHOULD be 115' from section 13, the next nearest lease – based on the plat. Do you agree? Paul	3/1/2012 5:56:15 AM
Permit	Requested Paul review the distance to the nearest lease line appears to be closer to 310' than the 844' as shown. PGD and public comment period expires 3/1/12	2/29/2012 2:48:04 PM
Permit	Operator erased SS numbers on lease. This form has passed completeness.	2/10/2012 1:26:21 PM
Permit	Returned to draft. SS numbers on O&G lease.	2/10/2012 12:33:16 PM

Total: 7 comment(s)

## BMP

Type

Comment

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Total: 0 comment(s)