

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:

400246385

Date Received:

02/09/2012

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
 SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒

Refiling ☐Sidetrack ☐

PluggingBond SuretyID

3. Name of Operator: OXY USA INC4. COGCC Operator Number: 665615. Address: PO BOX 27757City: HOUSTON State: TX Zip: 772276. Contact Name: Joan Proulx Phone: (970)263.3641 Fax: (970)263.3694Email: joan_proulx@oxy.com7. Well Name: Hells Gulch Federal Well Number: 26-11C

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 14217

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 26 Twp: 8S Rng: 92W Meridian: 6Latitude: 39.328350 Longitude: -107.635090

Footage at Surface: 1542 feet FNL/FSL FSL 2369 feet FEL/FWL FWL

11. Field Name: Alkali Creek Field Number: 195012. Ground Elevation: 7984 13. County: MESA

14. GPS Data:

Date of Measurement: 10/20/2011 PDOP Reading: 1.8 Instrument Operator's Name: D Murrey15. 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 _____
 _____ FSL _____ FWL _____ _____ FSL _____ 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: 3550 ft18. Distance to nearest property line: 1542 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2519 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.)
MesaVerde	MVRD	529-1		

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#: _____23a. 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):

See attached Mineral Lease Map

25. Distance to Nearest Mineral Lease Line: 1542 ft

26. Total Acres in Lease: 2560

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: _____

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+0/0	16+0/0	65	0	90	4	90	0
SURF	17+1/2	13+3/8	54.5	0	1,500	745	1,500	0
1ST	12+1/4	8+5/8	36	0	9,030	1,859	9,030	4,415
2ND	7+1/2	5+1/2	23	0	14,217	580	14,217	8,530

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

33. Comments The USDA Forest Service is the surface owner and mineral owner, and there is an agreement in place for the BLM to manage the minerals. The pad has been leveled but no wells have been drilled. A semi-closed loop system will be used. Oxy will provide appropriate housing for essential personnel in order to conduct safe, efficient drilling operations at this well site. The pad location falls within the Mamm Creek NTO dated July 23, 2004 and revised February 9, 2007; the required wellbore diagram is attached. The objective Mancos, Niobrara and Dakota formations fall under and comply with Rule 318.a.

34. Location ID: 334517

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: Joan Proulx

Title: Regulatory Analyst Date: 2/9/2012 Email: joan_proulx@oxy.com

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: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

Att Doc Num	Name
400246385	FORM 2 SUBMITTED
400246399	DEVIATED DRILLING PLAN
400246400	TOPO MAP
400246401	MINERAL LEASE MAP
400246402	DRILLING PLAN
400246404	WELL LOCATION PLAT
400246405	WELLBORE DIAGRAM
400246406	OTHER
400246407	OTHER
400246408	OTHER
400246409	DIRECTIONAL DATA
400250498	FED. DRILLING PERMIT

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

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

Total: 0 comment(s)