

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:

400259149

Date Received:

03/14/2012

PluggingBond SuretyID

19880020

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 ☐

3. Name of Operator: MARATHON OIL COMPANY

4. COGCC Operator Number: 53650

5. Address: 5555 SAN FELIPE RD

City: HOUSTON State: TX Zip: 77056

6. Contact Name: Erin Bibeau Phone: (970)419-7816 Fax: (970)493-9219

Email: ebibeau@marathonoil.com

7. Well Name: Black Hollow 8-67-16 Well Number: 3H

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

9. Proposed Total Measured Depth: 11169

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 16 Twp: 8N Rng: 67W Meridian: 6

Latitude: 40.667636 Longitude: -104.893706

Footage at Surface: 453 feet FNL 1955 feet FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 5281.3 13. County: WELD

14. GPS Data:

Date of Measurement: 02/22/2012 PDOP Reading: 1.4 Instrument Operator's Name: Allen Blattel

15. 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
685 FNL 1955 FEL 610 FSL 1924 FEL
Sec: 16 Twp: 8 Rng: 67 Sec: 16 Twp: 8 Rng: 67

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: 894 ft

18. Distance to nearest property line: 453 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 10224 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.)
Niobrara	NBRR	535 - 147	640	ALL

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 9526/8

22. Surface Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian

23. 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 ☐ 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):

All of Section 16 T8N R67W.

25. Distance to Nearest Mineral Lease Line: 453 ft

26. Total Acres in Lease: 640

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	20	16	.5" wall	0	90			
SURF	12+1/4	9+5/8	40	0	870	110	870	0
1ST	8+3/4	7	32	0	7,735	110	7,735	6,700
2ND	6	4+1/2	11.6	7615	11,169			

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

33. Comments There are no over head power lines within approximately 894 feet of the SHL. The nearest over head power is approximately 894 feet to the northeast of the SHL. A Form 2A is being filed concurrently with this Form 2.

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: Erin Bibeau

Title: Regulatory Compliance Rep Date: 3/14/2012 Email: ebibeau@marathonoil.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: 4/17/2012

API NUMBER

05 123 35397 00

Permit Number: _____ Expiration Date: 4/16/2014

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) Note surface casing setting depth change from 500' to 870'. Increase cement coverage accordingly.
- 2) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
400259149	FORM 2 SUBMITTED
400260804	DIRECTIONAL DATA
400260806	WELL LOCATION PLAT
400260807	DEVIATED DRILLING PLAN
400260808	30 DAY NOTICE LETTER

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	4/16/2012 1:42:02 PM
Permit	Okay to pass pending public comment 4/03/12. Surface Restoration Bond on file with SLB; per Sherry Lee. operator provided state lease number 9526.8 and agreed to change line 17: distance to nearest bldg, Rd, RR or Utility from 1294' to 894' per location drawing. No additional setbacks need for proposed uranium mine in area per Arthur Koepsell, COGCC.	3/19/2012 11:41:40 AM
Permit	ON HOLD: sent email to State Land Board for verification this operator has Surface Restoration Bond on file. requested state lease number and to change line 17: distance to nearest bldg, Rd, RR or Utility from 1294' to 894' per location drawing.	3/19/2012 10:39:56 AM
Permit	Operator input #15. This form has passed completeness.	3/14/2012 3:09:47 PM
Permit	Returned to draft. Missing #15. NOTE nearby proposed uranium project.	3/14/2012 2:57:06 PM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Storm Water/Erosion Control	Stormwater Management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil and Gas Development throughout the state of Colorado in accordance with Colorado Department of Public Health (CDPHE). BMPS will be constructed around the perimeter of the site prior to or at the beginning of construction. BMPs used will vary according to the location and will remain in place until the pad reaches final reclamation.
General Housekeeping	Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any containment soil. These materials will be disposed of properly.
Material Handling and Spill Prevention	Spill prevention control and counter measures (SPCC) plans will be in place to address any possible spills associated with Oil and Gas operations throughout the State of Colorado in accordance with 40 CFR 112.
General Housekeeping	Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls.

Total: 4 comment(s)