

FORM  
2

Rev  
12/05

# State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400224195

Date Received:

03/01/2012

## APPLICATION FOR PERMIT TO:

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

### 2. TYPE OF WELL

OIL  GAS  COALBED  OTHER CO2, Pilot #00  
SINGLE ZONE  MULTIPLE  COMMINGLE

Refiling   
Sidetrack

PluggingBond SuretyID

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: HE Well Number: 6

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

9. Proposed Total Measured Depth: 8561

### WELL LOCATION INFORMATION

10. QtrQtr: TR 38 Sec: 1 Twp: 37N Rng: 19W Meridian: N

Latitude: 37.501180 Longitude: -108.903904

Footage at Surface: 275 feet FNL 10 feet FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6475 13. County: MONTEZUMA

### 14. GPS Data:

Date of Measurement: 11/22/2011 PDOP Reading: 1.6 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

Sec:      Twp:      Rng:      Sec:      Twp:      Rng:     

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: 275 ft

18. Distance to nearest property line: 275 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1625 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 #: COC22375

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):

COC22375 (120 AC); SEE ATTACHED LEASE MAP.

25. Distance to Nearest Mineral Lease Line: 220 ft 26. Total Acres in Lease: 120

### 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/cover:salt disp. fct

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	2,997	1,325	2,997	0
1ST	8+3/4	7	29&32	0	8,186	1,485	8,186	0
OPEN HOLE	6							

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

33. Comments This is the APD application for the vertical pilot hole as explained in the drilling plan; after production casing is set it will be drilled OH, logged and plugged back to a KOP for the horizontal well bore portion of the well. 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; Salt section cuttings and muds in vertical pilot will be de-watered and solids hauled offsite to disposal facility. Distance to the next nearest LDVLL is 1625' from the horizontal BHL of the HE1. Nearest distance to county road Y is 1825'; other roads are private

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: 3/1/2012 Email: Paul\_Belanger@KinderMorgan

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 4/26/2012

API NUMBER Permit Number: \_\_\_\_\_ Expiration Date: 4/25/2014

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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 field 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) Submit CBL on 7" production casing

**Attachment Check List**

Att Doc Num	Name
1792445	WELL LOCATION PLAT
1792446	WELL LOCATION PLAT
400224195	FORM 2 SUBMITTED
400256614	H2S CONTINGENCY PLAN
400256628	OTHER
400256630	WELL LOCATION PLAT
400256633	LEASE MAP
400257217	DRILLING PLAN

Total Attach: 8 Files

**General Comments**

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Changed abbreviation for Tract from trk to TR.	4/26/2012 9:11:38 AM
Permit	Pilot. Final review completed.	3/29/2012 6:17:11 AM
Permit	OHE to the north at 275' as per operator and location photos.	3/29/2012 6:06:25 AM
Permit	Appears to be an OHE to the north of the SHL at approximately 275', this was not designated as such on the distance to nearest feature, two OHE are observable on the location photos supplied with the Form 2A. The statement for the LGD appears in comments in the Form 2A "Kinder Morgan has submitted the necessary Permit Applications to the County. The applications are schedule for review by the Planning and Zoning Commission Board on March 22, 2012. The Planning and Zoning Commission Board will forward their recommendations to the Board of County Commissioners. It is anticipated that A public hearing will be held before the Board of County Commissioners sometime in April, 2012, wherein Kinder Morgan's local permits may be approved. "	3/16/2012 10:51:57 AM

Total: 4 comment(s)

**BMP**

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

Total: 0 comment(s)