

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400265128

Date Received:

03/27/2012

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: (493)493-9219

Email: ebibeau@marathonoil.com

7. Well Name: Crow Valley 6-61-16 Well Number: 4H

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

9. Proposed Total Measured Depth: 10028

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 16 Twp: 6N Rng: 61W Meridian: 6

Latitude: 40.482595 Longitude: -104.221021

Footage at Surface: 629 feet FSL 739 feet FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4678.6 13. County: WELD

14. GPS Data:

Date of Measurement: 03/01/2012 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 _____
632 FSL 1090 FWL 655 FSL 470 FEL
Sec: 16 Twp: 6N Rng: 61W Sec: 16 Twp: 6N Rng: 61W

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: 445 ft

18. Distance to nearest property line: 629 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2000 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	407-583	640	ALL

21. Mineral Ownership: Fee State Federal Indian Lease #: 1179.10

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, T6N, R61W. A spacing application for this section will be submitted to go up for approval at the April hearing.

25. Distance to Nearest Mineral Lease Line: 632 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	0.5	0	90			
SURF	12+1/4	9+5/8	40	0	700	160	700	0
1ST	8+3/4	7	32	0	6,733	110	6,733	5,700
2ND	6	4+1/2	11.6	6613	10,028			

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

33. Comments There are no visible above ground utilities within 445 feet of the SHL. The nearest above ground utility is approximately 445 feet to the southeast 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: 3/27/2012 Email: ebibeau@marathonoil.com

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: [Signature] Director of COGCC Date: 5/7/2012

Permit Number: _____ Expiration Date: 5/6/2014

API NUMBER

05 123 35543 00

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 prior to spud via Form 42.
- 2) Provide cement coverage from base of intermediate casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Operator must meet water well sampling requirements as per Rule 318A.

Attachment Check List

Att Doc Num	Name
2332166	SURFACE CASING CHECK
400265128	FORM 2 SUBMITTED
400265347	DIRECTIONAL DATA
400265348	WELL LOCATION PLAT
400265349	DEVIATED DRILLING PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received; final review completed.	5/7/2012 7:43:39 AM
Permit	The Colorado State Land Board says Marathons survey report and proposed measures are in compliance with the stipulations of the lease.	5/7/2012 6:36:06 AM
Permit	Distance to power line changed to 445' as reported on the 2A and location drawing.	4/18/2012 9:07:14 AM
Permit	Spacing application approved April 2012.	4/18/2012 9:00:30 AM
Permit	State Land Board requested hold. Marathon has not completed their assessment.	3/29/2012 9:16:41 AM
Permit	On hold - Pending approval of spacing App. in May hearing.	3/29/2012 5:27:13 AM

Total: 6 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)