

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:

400333689

Date Received:

10/25/2012

PluggingBond SuretyID

20030028

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: SWEPI LP

4. COGCC Operator Number: 78110

5. Address: 4582 S ULSTER ST PKWY #1400

City: DENVER State: CO Zip: 80237

6. Contact Name: Nancy Feck Phone: (307)367-7934 Fax: (307)367-4285

Email: N.Feck@shell.com

7. Well Name: Deal Gulch Well Number: 4-16

8. Unit Name (if appl): Williams Fork Unit Number: COC74956X

9. Proposed Total Measured Depth: 7814

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 16 Twp: 5N Rng: 90W Meridian: 6

Latitude: 40.388231 Longitude: -107.498450

Footage at Surface: 2073 feet FNL/FSL FNL 2505 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 7210 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 08/09/2012 PDOP Reading: 1.4 Instrument Operator's Name: B.Hunting

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 2443 FNL 2926 FEL 2926 Bottom Hole: FNL/FSL 600 FNL 641 FEL 641
Sec: 16 Twp: 5N Rng: 90W Sec: 16 Twp: 5N Rng: 90W

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: 2190 ft

18. Distance to nearest property line: 2073 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 555 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			

21. Mineral Ownership: Fee State Federal Indian Lease #: 8471.5

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):

Please see attached mineral lease map and descriptions. Distance to nearest Unit Boundary is 605'.

25. Distance to Nearest Mineral Lease Line: 600 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	30	20		0	90		90	0
SURF	13+1/2	10+3/4	40.5	0	1,250	667	1,250	0
1ST	7+7/8	5+1/2	17	0	7,814	78	4,550	3,750

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

33. Comments Depending on subsurface conditions, intermediate casing may be used. If intermediate casing is used, the hole will be drilled at 9 7/8". Intermediate casing of 7 5/8" will run from surface to 4550' with cement from 3750' to 4550'. The production hole will be drilled at 6 3/4". A 5 1/2" production liner will be installed from 4350'(200' overlap) to 7814', uncemented. 9pt drilling plan is attached outlining this process. Item #25. Distance to the nearest unit boundary is 605'.

34. Location ID: 428535

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: Nancy Feck

Title: Regulatory Technician Date: 10/25/2012 Email: N.Feck@shell.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: Matthew Lee Director of COGCC Date: 11/26/2012

API NUMBER
05 081 07768 00

Permit Number: _____ Expiration Date: 11/25/2014

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) PRODUCTION CASING (OR INTERMEDIATE CASING IF USED) CEMENT TOP VERIFICATION BY CBL REQUIRED.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400333689	FORM 2 SUBMITTED
400333700	WELL LOCATION PLAT
400333701	LEGAL/LEASE DESCRIPTION
400333702	DRILLING PLAN
400333703	WELLBORE DIAGRAM
400333704	WELLBORE DIAGRAM
400333705	DEVIATED DRILLING PLAN
400333706	DIRECTIONAL DATA
400335288	TOPO MAP
400335305	MINERAL LEASE MAP

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per oper. corrected dist. to prop. line. Distance to unit boundary is 600'. State Land Board approved location. No LGD or public comments. Final Review--passed.	11/26/2012 10:57:35 AM
Permit	Corrected dist. to min. lease to 600' (distance @ BHL). Question on dist. to prop. line. Nearest well distance is 555'.	11/9/2012 1:42:04 PM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.	11/1/2012 4:09:27 PM
Permit	This form passed completeness.	10/26/2012 5:50:51 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)