

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:

400388029

Date Received:

03/26/2013

PluggingBond SuretyID

20110027

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER CO2
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

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: HA Well Number: 5

8. Unit Name (if appl): MCELMO DOME Unit Number: 47653X

9. Proposed Total Measured Depth: 8625

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 29 Twp: 38N Rng: 18W Meridian: N

Latitude: 37.525450 Longitude: -108.847670

Footage at Surface: 1610 feet FNL 272 feet FEL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6742 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 10/17/2012 PDOP Reading: 1.9 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: 253 ft

18. Distance to nearest property line: 272 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2253 ft

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 #:

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):
 lease includes S1/2N1/2 for this APD and other non-pertinent portions of S29 as well as other portions of S31 and S32 (see attached lease for those other details) = 640 acres in total.

25. Distance to Nearest Mineral Lease Line: 272 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: CLOSED LOOP

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	14		0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	2,856	1,200	2,856	0
1ST	8+3/4	7	32	0	8,250	1,700	8,250	0
OPEN HOLE	6							

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

33. Comments Current plans are to drill a vertical well only at this time.

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: 3/26/2013 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: *Matthew Lee* Director of COGCC Date: 4/27/2013

API NUMBER 05 083 06702 00	Permit Number: _____	Expiration Date: <u>4/26/2015</u>
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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 and submit via form 42
- 2) Submit CBL on 7" production casing

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400388029	FORM 2 SUBMITTED
400388585	WELL LOCATION PLAT
400389189	H2S CONTINGENCY PLAN
400389190	OTHER
400396052	SURFACE AGRMT/SURETY
400396053	DRILLING PLAN
400396058	OIL & GAS LEASE

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	4/23/2013 11:36:17 AM
Permit	Lease description inserted in line 23. This form has passed completeness.	3/28/2013 10:28:40 AM
Permit	Requested lease information to be place in the Lease description. They supplied a lease for such description. Also, there is an SUA attached but the operator comments should be edited.	3/27/2013 2:51:39 PM

Total: 3 comment(s)

BMP

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