

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:

400388656

Date Received:

03/25/2013

PluggingBond SuretyID

20110027

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER CO2 PILOT
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: DOE CANYON Well Number: 15

8. Unit Name (if appl): DOE CANYON Unit Number: 47612X

9. Proposed Total Measured Depth: 8863

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 11 Twp: 40N Rng: 18W Meridian: N

Latitude: 37.743470 Longitude: -108.819420

Footage at Surface: 1069 feet FSL 1610 feet FWL

11. Field Name: DOE CANYON Field Number: 17210

12. Ground Elevation: 7227 13. County: DOLORES

14. GPS Data:

Date of Measurement: 01/23/2013 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: 228 ft

18. Distance to nearest property line: 242 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2420 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):

Pertinent to this wellbore is the Todd lease that includes SE1/4SW1/4 (and that includes other QTRQTRs of Sections or QTRQTRs thereof sections 11,14, 15,22 of 40N18W).

25. Distance to Nearest Mineral Lease Line: 250 ft 26. Total Acres in Lease: 800

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-watered by 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	2,519	1,100	2,519	0
1ST	8+3/4	7	29&32	0	8,488	2,200	8,488	0
OPEN HOLE	6							

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

33. Comments This is the pilot borehole of a pilot/horizontal planned drilling operation. If the pilot ends up being very productive they may test and produce. Depending on results they may stop there or choose to continue drilling the horizontal (-01 docnum 400389111).

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: 3/25/2013 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: 5/15/2013

API NUMBER
05 033 06176 00

Permit Number: _____ Expiration Date: 5/14/2015

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
2518352	SURFACE AGRMT/SURETY
400388656	FORM 2 SUBMITTED
400389195	WELL LOCATION PLAT
400389199	H2S CONTINGENCY PLAN
400389200	OTHER
400395060	DRILLING PLAN
400395085	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.	5/6/2013 6:22:00 AM
Permit	This well falls within the boundary of the Doe Canyon secondary unit 47612X.	5/6/2013 6:21:37 AM
Permit	This permit is the pilot of a pilot/lateral drilling plan.	5/6/2013 6:09:35 AM
Permit	Operator corrected SHL and input comments. This form has passed completeness.	3/26/2013 10:11:26 AM
Permit	Returned to draft. Requested operator comments to clarify drilling plan and a corrected SHL.	3/26/2013 7:57:53 AM

Total: 5 comment(s)

BMP

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