

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:

400429996

Date Received:

07/03/2013

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: Steve Compton Phone: (303)305-4017 Fax: ()

Email: C-Steven.Compton@shell.com

7. Well Name: Morapos Creek Well Number: 1-10

8. Unit Name (if appl): Wood Gulch Unit Number: COC75414X

9. Proposed Total Measured Depth: 3800

## WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 10 Twp: 3N Rng: 91W Meridian: 6

Latitude: 40.247789 Longitude: -107.598617

Footage at Surface: 1763 feet FNL/FSL 2254 feet FEL/FWL  
 FNL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 7335 13. County: MOFFAT

## 14. GPS Data:

Date of Measurement: 08/15/2012 PDOP Reading: 1.3 Instrument Operator's Name: G. McElroy

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: 1957 ft

18. Distance to nearest property line: 1763 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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 #: CO91396

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☒ Yes ☐ No Surface Surety ID#: 20030020

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 Legal/Lease Description. Distance to Unit Boundary is 4210 feet.

25. Distance to Nearest Mineral Lease Line: 386 ft

26. Total Acres in Lease: 160

### 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	48	90	0
SURF	13+1/2	10+3/4	40.5	0	800	439	800	0
1ST	9+7/8	7+5/8	29.7	0	1671	96	1671	871
1ST LINER	6+3/4	5+1/2	17	1471	3800			

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

33. Comments \_\_\_\_\_

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: Steve Compton

Title: Environmental Engineer Date: 7/3/2013 Email: C-Steven.Compton@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: 8/10/2013

#### API NUMBER

05 081 07785 00

Permit Number: \_\_\_\_\_ Expiration Date: 8/9/2015

#### 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.

#### COA Type

#### Description

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

### **Applicable Policies and Notices to Operators**

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

### **Attachment Check List**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
2157169	SURFACE AGRMT/SURETY
400429996	FORM 2 SUBMITTED
400431064	TOPO MAP
400431065	WELL LOCATION PLAT
400431177	MINERAL LEASE MAP
400431178	LEGAL/LEASE DESCRIPTION
400437603	CORRESPONDENCE
400439972	DRILLING PLAN

Total Attach: 8 Files

### **General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Engineer	OPERATOR-PROPOSED PRODUCTION CASING CEMENT TOP OF 871' IS ACCEPTABLE.	3/9/2013 3:39:37 PM
Permit	No LGD or public comments. Final Review--passed.	3/9/2013 1:52:20 PM
Permit	Oper. submitted signed SUA.	7/22/2013 2:14:34 PM
Permit	Distance to nearest unit boundary is 4210'.	7/22/2013 10:40:22 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 40 FEET DEEP.	7/11/2013 4:54:48 PM
Permit	This form has passed completeness.	7/5/2013 9:35:28 AM

Total: 6 comment(s)

## Best Management Practices

No	BMP/COA Type	Description
1	Wildlife	<p>Wildlife Concerns: Location is within greater sage-grouse PPH, but the habitat is now primarily agricultural. In Mule Deer Migration Corridor (HPH data). Columbian sharp-tailed grouse have an active lek approximately 1.8 miles to the southwest, but there is little concern for this lek being impacted by this development due to surrounding topography.</p> <p>Recommended BMPs:</p> <ol style="list-style-type: none"> <li>For all in-stream construction equipment, remove all mud and debris from equipment and spray/soak equipment with a 1:15 solution of disinfection solution containing the following ingredients: <ul style="list-style-type: none"> <li>Dialkyl dimethyl ammonium chloride, 5-10% by weight;</li> <li>Alkyl dimethyl benzyl ammonium chloride, 5-10% by weight;</li> <li>Nonyl phenol ethoxylate, 5-10% by weight;</li> <li>Sodium sesquicarbonate, 1-5%;</li> <li>Ethyl alcohol, 1-5%; and</li> <li>Tetrasodium ethylene diaminetetraacetate, 1-5%</li> <li>and water, keeping the equipment moist for at least 10 minutes and managing rinsate as a solid waste in accordance with local, county, state, or federal regulations; or <ul style="list-style-type: none"> <li>Spray/soak equipment with water greater than 140 degrees Fahrenheit for at least 10 minutes.</li> <li>Sanitize water suction hoses and water transportation tanks (using methods described above) and discard rinse water at an appropriately permitted disposal facility.</li> </ul> </li> </ul> </li> <li>Follow company guidelines to minimize wildlife mortality from vehicle collisions on roads.</li> <li>Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.</li> </ol>
2	Storm Water/Erosion Control	<p>Stormwater Management Plans (SWMP) are in place to comply with both Colorado Department of Public Health and Environment (CDPHE) and Colorado Oil and Gas Conservation Commission (COGCC). The construction layout for this well details Best Management Practices (BMP) to be installed during initial construction. Note that BMPs may be removed, altered, or replaced with changing conditions in the field and the SWMP will be updated accordingly. The BMPs prescribed for the initial construction phase include, but are not limited to:</p> <ul style="list-style-type: none"> <li>Construction diversion ditch</li> <li>Sediment reservoirs</li> <li>Check dams</li> <li>Level spreaders</li> <li>Stabilized construction entrance</li> <li>Slash</li> <li>Sediment trap</li> <li>Wattle</li> <li>Terrace</li> <li>Secondary containment berms</li> <li>Detention ponds</li> </ul>
3	Material Handling and Spill Prevention	<p>Spill Prevention Control &amp; Countermeasure Plans (SPCC) are in place to address material releases and to prescribe materials handling BMPs for the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal.</p>
4	Interim Reclamation	<p>Shell will consult with and follow the recommendations of the County Weed Supervisor.</p>

Total: 4 comment(s)