

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER <u>CO2</u>	Refilling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
09/18/2013

Well Name: <u>CS</u>	Well Number: <u>1</u>
Name of Operator: <u>KINDER MORGAN CO2 CO LP</u>	COGCC Operator Number: <u>46685</u>
Address: <u>17801 HWY 491</u>	
City: <u>CORTEZ</u>	State: <u>CO</u>
	Zip: <u>81321</u>
Contact Name: <u>Paul Belanger</u>	Phone: <u>(970)882-2464</u>
	Fax: <u>(970)882-5521</u>
Email: <u>Paul_Belanger@kindermorgan.com</u>	

RECLAMATION FINANCIAL ASSURANCE
 Plugging and Abandonment Bond Surety ID: 20110027

WELL LOCATION INFORMATION

QtrQtr: LOT 5 Sec: 27 Twp: 38N Rng: 19W Meridian: N
 Latitude: 37.526170 Longitude: -108.939440

Footage at Surface:	<u>1350</u>	feet	FNL/FSL	<u>210</u>	feet	FEL/FWL
			FNL			FWL

Field Name: MCELMO Field Number: 53674
 Ground Elevation: 6459 County: MONTEZUMA

GPS Data:
 Date of Measurement: 07/22/2013 PDOP Reading: 6.0 Instrument Operator's Name: R J CAFFEY

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: _____

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is: is the mineral owner beneath the location.
 (check all that apply) is committed to an Oil and Gas Lease.
 has signed the Oil and Gas Lease.
 is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Sec.27 SWNW; Sec.28, Lot 2

Total Acres in Described Lease: 80 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 32 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1420 Feet

Building Unit: 1420 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 510 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 30 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 5280 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 5280 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): MCELMO DOME Unit Number: 047653X

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Leadville	LDVLL	389-1		

DRILLING PROGRAM

Proposed Total Measured Depth: 8474 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 5280 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? Yes (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? Yes

Will salt based (>15,000 ppm Cl) drilling fluids be used? Yes

Will oil based drilling fluids be used? No

BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: UIC Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

DEWATER IN CLOSED LOOP SYSTEM; ANY Water after recycle is disposed of in our Class 1 disposal well

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	20	14	54.6	0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	3099	1100	3099	0
1ST	8+3/4	7	29 & 32	0	8239	2200	8239	0
1ST LINER	6	4+1/2	12.6	8039	8474	150	8474	8039

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

3	General Housekeeping	<p>Erosion control barriers, namely fiber wattles, will be placed at the edge of disturbance where necessary. Care will be taken to avoid disturbance outside of the project area unless it is deemed necessary for equipment stability and fire safety.</p> <p>On-site trash dumpsters are emptied regularly by the local waste management company.</p> <p>The well site will be adequately fenced to restrict access by unauthorized persons.</p>
4	Storm Water/Erosion Control	<p>A fiber wattle will encompass the entire periphery of the disturbed area.</p> <p>An earth berm and erosion control wattles will line the edges of the disturbed area.</p> <p>Tackifier will be added to the stored topsoil piles to prevent erosion. Stockpiled soils will have slopes not greater than 3:1.</p> <p>Stormwater BMPs will be maintained/amended by Kinder Morgan as site conditions change throughout the construction and reclamation process.</p>
5	Material Handling and Spill Prevention	<p>The use of a closed-loop drilling system will reduce the amount of waste produced and water used during drilling operations. Solid cuttings will be disposed of at a licensed disposal facility.</p> <p>Recycled water will be disposed of in a Class I disposal well.</p> <p>Berms will be constructed around any condensate and produced water tanks and will enclose an area sufficient to contain and provide secondary containment for 150% of the largest single tank. The berms will be sufficiently impervious to contain any spilled or released material. All berms and containment devices will be inspected at regular intervals and maintained in good condition.</p> <p>All loadlines are capped.</p> <p>Tanks are designed to meet all API 650 guidelines.</p>
6	Construction	<p>All equipment will be stored within the right-of-way (ROW) area of disturbance. Top soil will be removed to create a level pad for drilling and access road (length: 70', ROW: 50').</p> <p>Vegetation that does not need to be removed will be avoided during construction and removed vegetation will be cut near ground level, leaving the root system intact except where permanent facilities, roads, or ROWs require the complete removal of vegetation.</p>
7	Noise mitigation	<p>During normal operations, the well will remain within COGCC regulations for noise. However, during the construction phase of the project, this standard may be exceeded occasionally. Drilling should be completed within 30 days.</p> <p>The use of Jake brakes by semi-trucks will be prohibited on county roads.</p>
8	Emissions mitigation	<p>Non-flammable CO₂ will be produced from the Leadville formation and thus green completion per rule 805 (3) does not apply.</p> <p>All CO₂ wells are equipped with a CO₂ leak detection monitor.</p>

9	Drilling/Completion Operations	<p>Blowout preventer equipment (BOPE) complies with COGCC equipment regulations.</p> <p>Mineral Management certification or Director approved training for blowout prevention has been conducted for at least one person at the well site during drilling operations.</p> <p>Kinder Morgan conducts a BOPE test and files a 24 hour notice (Form 42) at the initial rig-up time, after each casing emplacement, and/or every 30 days.</p> <p>No guy line anchors will be left at the well site.</p> <p>KM standard operating protocol includes a check list for well-site clearance activities when a well is transferred from the Drilling Department to the Operations Department.</p> <p>Adequate blowout prevention equipment is used on all well servicing operations.</p> <p>Backup stabbing valves are used on well servicing operations during reverse circulation and are pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.</p> <p>No pits are present at the well site.</p>
10	Interim Reclamation	Surface roughening, surface contouring, seeding, and weed control will be employed to facilitate vegetation reestablishment. Tackifier will be added to reclaimed areas.
11	Final Reclamation	All disturbed areas that are not necessary for operational procedures will be restored to at least 70 percent of pre-disturbance vegetative cover.

Total: 11 comment(s)

Date retrieval failed for the subreport 'IntPolicy_MTO' located at: \\DorDonSterling\FarmReports\policy_mto.rdl. Please

Attachment Check List

Att Doc Num	Name
2518704	CONSENT / WAIVER
2518708	EXCEPTION LOC REQUEST
2518709	LEGAL/LEASE DESCRIPTION
2518713	AMENDED SURFACE AGRMT/SURETY
400461774	FORM 2 SUBMITTED
400461948	H2S CONTINGENCY PLAN
400461949	OTHER
400461969	WELL LOCATION PLAT
400481257	SURFACE AGRMT/SURETY
400481258	DRILLING PLAN

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	11/1/2013 5:18:23 AM
Permit	Attached provided exception request.	11/1/2013 5:15:05 AM
Permit	Waiting on exception location request to rule 603a2.	10/31/2013 10:12:32 AM
Permit	Changed distance to property line to reflect distance to lot 4 owner buy the same surface owner. Surface owner consent attached to the form 2. SUA and Amended SUA attached to form 2 and 2A.(amended lot 3,4,5 property description)	10/31/2013 10:02:44 AM
Permit	Attached provided amended SUA and surface owner consent of property line	10/31/2013 9:46:04 AM
Permit	Waiting on verification that lots 4 and 5 are part of the same parcel of land. An exception location request and waiver to rule 603a2 would be required.	9/26/2013 8:16:44 AM
Permit	Oprerator says a Surface Use Agreement is currently being developed(possible typo in the lfirst draft). The well will be bonded until the SUA is finalized.	9/26/2013 6:52:01 AM

Total: 7 comment(s)