

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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Document Number:

400042077

Plugging Bond Surety

20060139

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling

Sidetrack

3. Name of Operator: OXY USA INC

4. COGCC Operator Number: 66561

5. Address: PO BOX 27757

City: HOUSTON State: TX Zip: 77227

6. Contact Name: Joan Proulx Phone: (970)263-3641 Fax: (970)263-3694

Email: joan_proulx@oxy.com

7. Well Name: Hell's Gulch Federal Well Number: 1-12

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 8902

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 2 Twp: 9S Rng: 92W Meridian: 6

Latitude: 39.300429 Longitude: -107.629921

Footage at Surface: 2209 FNL/FSL FSL 1450 FEL/FWL FEL

11. Field Name: Alkali Creek Field Number: 1950

12. Ground Elevation: 7905 13. County: MESA

14. GPS Data:

Date of Measurement: 04/11/2007 PDOP Reading: 2.4 Instrument Operator's Name: Jim Grabowski

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

Footage at Top of Prod Zone: FNL/FSL 2142 FSL 661 FWL 661 Bottom Hole: FNL/FSL 2142 FSL 661 FWL 661

Sec: 1 Twp: 9S Rng: 92W Sec: 1 Twp: 9S Rng: 92W

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: 4361 ft

18. Distance to nearest property line: 1 mi 19. Distance to nearest well permitted/completed in the same formation: 1321 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.)
Mesa Verde	MVRD	529-1		

21. Mineral Ownership: Fee State Federal Indian Lease #: COC-66724

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 Bon \$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):
All Sections 1, 2, 12, T9S R92W

25. Distance to Nearest Mineral Lease Line: 2242 ft 26. Total Acres in Lease: 1975

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite

Method: Land Farming Land Spreading Disposal Facility Other: Other: Onsite Reserve Pit

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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
CONDUCTOR	26+0/0	16+0/0	0.25 Wall	40		40	0
SURF	12+1/4	9+5/8	32.0	1,500	360	1,500	0
1ST	7+7/8	4+1/2	11.6	8,902	1,000	8,902	

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

33. Comments

1. The pad has been built.
2. The pit has been constructed.
3. This refile will not require any expansion/additional surface disturbance of the pad.
4. The location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).
5. The location is not in a wildlife restricted surface occupancy area.

34. Location ID: 334507

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: Joan Proulx

Title: Regulatory Analyst Date: 2/20/2010 Email: joan_proulx@oxy.com

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: David S. Nesline Director of COGCC Date: 4/21/2010

Permit Number: _____ Expiration Date: 4/20/2011

API NUMBER

05 077 09376 00

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)24-HOUR SPUD NOTICE REQUIRED.E-MAIL Shaun.Kellerby@state.co.us (2)RESERVE PIT MUST BE LINED. (3) CEMENT-TOP VERIFICATION BY CBL REQUIRED. (4)THE MOISTURE CONTENT OF ANY DRILL CUTTINGS IN A CUTTINGS PIT, TRENCH, OR PILE SHALL BE AS LOW AS PRACTICABLE TO PREVENT ACCUMULATION OF LIQUIDS GREATER THAN DE-MINIMIS AMOUNTS.AT THE TIME OF CLOSURE, THE DRILL CUTTINGS MUST ALSO MEET THE APPLICABLE STANDARDS OF TABLE 910-1. (5)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 000 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
400044491	FORM 2 SUBMITTED	LF@2428213 400044491

Total Attach: 1 Files