FORM 23 Rev 4/11

02055550

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax:(303)894-2109

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DA

WELL CONTROL REPORT

As Required by Rule 327

1. OGCC Operator Number: 78110
2. Name of Operator: SWEPI LP
3. Address: 4582 S. ULSTER ST. PKWY, STE. 1400
   City: DENVER State: CO Zip: 80237
4. Contact Name & Phone:
   MICHAEL BERGSTROM
   Ph: (303) 222-6347
   Email: michael.bergstrom@shell.com

Report taken by: DAVE ANDREWS

WELL LOCATION INFORMATION

5. API Number: 081-07719
6. County: Moffat
7. Well Name: Searcy Gulch
8. Well Number: 1-27
9. Unit Name (if appl.): Williams Fork Unit
10. Unit No: COC74956X
11. QtrQtr: Lot 2 Sec: 27 Twn: 5N Rng: 90 W Meridian: 6th principal
12. Footage From Exterior Section Lines: 1325 FNL 1860 FEL
13. Field Name: ~~WILDCAT~~ PECK DITCH
14. Field Number: ~~99999~~ 68230

DA.

CASING INFORMATION

15. Surface Casing Size: 10 3 / 4 Weight per Foot: 40.5 Grade: J-55 True Vertical Setting Depth: 802
16. Intermed. Casing Size: 7 5 / 8 Weight per Foot: 29.7 Grade: P-110 True Vertical Setting Depth: 3168

KICK INFORMATION

17. True Vertical Depth at Kick: 3492
18. Formation at Kick: NIOBRARA
19. Formation Code: NBRR
20. Shut-in Drill Pipe Pressure (SIDPP): 0 psi
21. Shut-in Casing Pressure (SICP): 230 psi
22. Mud weight at Time of Kick: 1.23 ppg
23. Pit Gain: 29 bbls bbls
24. Time and Date Shut In: June 18, 2012 at 00:45
25. Mud Weight Required to Control Well: 4.0 ppg
26. Type of Kick: [x] Gas [x] Oil [ ] Water
27. Comments (describe actions to control in detail): Actions to Control: Drilling ahead with Foam Drilling system and saw

Bottom Hole Pressure increase to 569 psi from 234 psi without a change in parameters as well as gas unit increase.

Shut in well with 230 psi.

Circulated 7.1 ppg mud around to kill well using drillers method.

Currently Drilling ahead with Nitrified OBM at 110 gpm and 700 SCFM N2 with BHP of 600-800 psi.

Andrews, David

From: Keith.Smelker@shell.com
Sent: Tuesday, June 19, 2012 2:21 PM
To: Andrews, David; CMatozevich@norwestcorp.com
Cc: A.Baldrige@shell.com; eomara@blm.gov; Harry.Posey@shell.com
Subject: RE: Searcy Gulch 1-21 - 05-081-07719 - Form 23 Well Control

David,
The initial drilling fluid was a foam that allowed for extremely low Bottom Hole Pressures. When we took the kick we circulated OBM around to kill the well. This weight was at 7.1 ppg. Then we used the SICP in order to establish an acceptable ECD to keep the well under control. This was at 4.0 ppg. We used this to circulate with a Nitrified OBM system that allowed us to control our ECDs at between 4-5.76 ppg. The parameters for this were 150 gpm with 600-800 SCFM.

When we took the second kick after drilling for 180', we again killed the well with 7.1 ppg diesel. Our SICP in this case was 60 psi with that is an equivalent at 4.85 ppg. Since we were seeing a range of pore pressures through the lateral we have continued drilling ahead with a 6.0-7.5 ppg ECD. This represents an over pressure based upon our area review of the Niobrara by our petro-physicists and geologists. The parameters to achieve this are 170-180 GPM and 400 SCFM.

The reason that we get a varying pressure with the nitrified OBM is that the system constantly has N2 expanding up the annulus and does not allow for a steady state bottom hole pressure. At the same time though we are able to control this pressure within a range and mitigate loss issue that would be present in an under pressured Niobrara.

Please let me know if this is a sufficient explanation. I am happy to discuss this more.

Regards,
Keith Smelker

From: Andrews, David [mailto:David.Andrews@state.co.us]
Sent: Tuesday, June 19, 2012 1:56 PM
To: Casey Matozevich
Cc: Baldrige, Anne SEPCO-EPW; eomara@blm.gov; Smelker, Keith P SEPCO-UAO/W/D
Subject: RE: Searcy Gulch 1-21 - 05-081-07719 - Form 23 Well Control

Casey,

Item 25 (Mud Weight Required to Control Well) indicates, "4.0 ppg." However, Item 27 (Comments) indicate, "Circulated 7.1 ppg mud around to kill well using drillers method." Please explain this discrepancy.

Thanks,

David D. Andrews, P.E., P.G.
Engineering Supervisor - Western Colorado

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E-mail: David.Andrews@state.co.us
Website: http://www.colorado.gov/cogcc

From: Casey Matozevich [mailto:CMatozevich@norwestcorp.com]
Sent: Monday, June 18, 2012 5:20 PM
To: Andrews, David
Cc: A.Baldrige@shell.com; eomara@blm.gov
Subject: Searcy Gulch 1-21 - 05-081-07719 - Form 23 Well Control

Please see the attached document regarding SWEPI LP's Well Control Report for Searcy Gulch 1-21.
Thanks,
-Casey

Casey A Matozevich
Environmental Specialist

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