

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:

400401442

Date Received:

04/12/2013

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: YA Well Number: 8

8. Unit Name (if appl): MCELMO Unit Number: 047653X

9. Proposed Total Measured Depth: 8397

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 12 Twp: 37N Rng: 18W Meridian: N

Latitude: 37.483400 Longitude: -108.780260

Footage at Surface: 832 feet FNL 1816 feet FEL
FNL/FSL FEL/FWL

11. Field Name: MCELMO Field Number: 53674

12. Ground Elevation: 6744 13. County: MONTEZUMA

14. GPS Data:

Date of Measurement: 04/05/2013 PDOP Reading: 2.1 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: 1561 ft

18. Distance to nearest property line: 496 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3450 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	389-1		

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#: 20080051

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):

Honaker lease of 939 ac. that includes NE1/4 section 12. also see attached.

25. Distance to Nearest Mineral Lease Line: 824 ft 26. Total Acres in Lease: 939

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: DEWATER IN CLOSED

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	2,918	1,200	2,918	0
1ST	8+3/4	7	29&32	0	8,022	1,700	8,022	0
OPEN HOLE	6							

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

33. Comments This the vertical pilot APD; the intent is to potentially test and produce; if not successful, then the associated horizontal will be drilled.

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: 4/12/2013 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: 5/19/2013

API NUMBER
05 083 06704 00

Permit Number: _____ Expiration Date: 5/18/2015

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
400401442	FORM 2 SUBMITTED
400402490	H2S CONTINGENCY PLAN
400402493	OTHER
400402515	DRILLING PLAN
400403293	OIL & GAS LEASE
400403377	WELL LOCATION PLAT

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no public comment received.	5/13/2013 12:35:48 PM
LGD	Kinder Morgan is in the process with working with the County in obtaining required county permits. It appears that through the planning review process, all necessary county permits will be approved.	4/25/2013 4:20:00 PM
Permit	This permit is the pilot of a pilot/lateral drilling plan.	4/16/2013 7:41:16 AM
Permit	This form has passed completeness.	4/15/2013 9:11:33 AM

Total: 4 comment(s)

BMP

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