

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400245474

Date Received:

04/10/2012

PluggingBond SuretyID

20030009

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: NOBLE ENERGY INC

4. COGCC Operator Number: 100322

5. Address: 1625 BROADWAY STE 2200

City: DENVER State: CO Zip: 80202

6. Contact Name: Justin Garrett Phone: (303)228-4449 Fax: (303)228-4286

Email: JGGarrett@nobleenergyinc.com

7. Well Name: Shelton PC Well Number: G24-74-1HN

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

9. Proposed Total Measured Depth: 111447

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 25 Twp: 4N Rng: 65W Meridian: 6

Latitude: 40.289680 Longitude: -104.610870

Footage at Surface: 285 feet FNL 2404 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4794 13. County: WELD

14. GPS Data:

Date of Measurement: 11/04/2011 PDOP Reading: 2.6 Instrument Operator's Name: Adam Kelly

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

Footage at Top of Prod Zone: 733 FSL 1647 FEL Bottom Hole: 535 FNL 1650 FEL
Sec: 24 Twp: 4N Rng: 65W Sec: 24 Twp: 4N Rng: 65W

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: 250 ft

18. Distance to nearest property line: 285 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 95 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		320	GWA

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#:

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):

Noble Energy Inc. certifies that the lease(s) shall be committed to the unit. Please see attached.

25. Distance to Nearest Mineral Lease Line: 535 ft 26. Total Acres in Lease: 320

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: Closed loop

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	18+1/2	16+0/0		0	100	6	100	0
SURF	13+3/4	9+5/8	36	0	600	300	600	0
1ST	8+3/4	7+0/0	26	0	7,356	494	7,356	
1ST LINER	6+1/8	4+1/2	11.6	7168	11,447			

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

33. Comments First String top of cement will be 200' above Niobrara formation. The production liner will be hung off inside 7" casing. Well is part of a five-well pad consisting of the proposed Shelton G25-75HN (Doc #400245470), Shelton PC G24-74-1HN (Doc #400245474), Shelton PC G24-75HN (Doc #400245475), Shelton PC G25-28 (Doc #400245476), and Shelton PC G25-74-1HN (Doc #400245478); multi-well plan attached. The production facilities for the proposed pad will be added to existing equipment 516' E of the pad site (Doc #400245280). Unit Configuration = E/2 Sec 24.

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: Justin Garrett

Title: Regulatory Specialist Date: 4/10/2012 Email: JGGarrett@nobleenergyinc.co

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:  Director of COGCC Date: 5/4/2012

API NUMBER Permit Number: _____ Expiration Date: 5/3/2014

05 123 35536 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) Provide 48 hour notice of MIRU via an electronic Form 42.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with a cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from the TD to surface. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2481532	SURFACE CASING CHECK
400245474	FORM 2 SUBMITTED
400270457	30 DAY NOTICE LETTER
400270458	DIRECTIONAL DATA
400270460	PLAT
400270462	DEVIATED DRILLING PLAN
400270463	LEASE MAP
400270466	SURFACE AGRMT/SURETY
400270469	MULTI-WELL PLAN
400270472	EXCEPTION LOC WAIVERS
400270474	EXCEPTION LOC REQUEST
400270476	PROPOSED SPACING UNIT
400270477	VARIANCE REQUEST
400270479	PROPOSED BMPs

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached. Operator requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line. Request letter and waivers attached. Operator requests approval of a Rule 318Am exception location: Wellhead is to be located less than 150' from an existing wellbore. Request and waivers attached. Final Review Completed. No LGD or public comment received.	5/4/2012 8:11:27 AM
Permit	Deleted spacing order number for GWA wellbore spacing unit. Ready to pass pending public comment 5/2/12.	4/13/2012 9:43:19 AM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>During and Post stimulation:</p> <ol style="list-style-type: none">1. At least seven (7) days prior to fracture stimulation, the Operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated date stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.2. The Operator will monitor the bradenhead pressure of all wells operated by the Operator within 300 feet of the well to be fracture stimulated.3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved. Alternate electronic measurement may be used to record the prescribed pressures. Data shall be kept for a period of one year.4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the Operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the Operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.
Material Handling and Spill Prevention	Spill Prevention Control and Countermeasures (SPCC) plans are in place to address any possible spill associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR 112.
Drilling/Completion Operations	<p>Anti-collision:</p> <p>Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.</p>
General Housekeeping	Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup of trash and discarded materials will be conducted at the end of each work day. Cleanup will consist of patrolling the roadway, access areas, and other work areas to pickup trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.
Storm Water/Erosion Control	Stormwater management plans (SWMP) are in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE) General Permit No. COR- 038637. BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.

Total: 5 comment(s)