

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:

400290515

Date Received:

10/16/2012

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: JAN KAJIWARA Phone: (303)228-4092 Fax: (303)228-4286

Email: jkajiwara@nobleenergyinc.com

7. Well Name: SHABLE USX AB Well Number: 11-64-1HNL

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

9. Proposed Total Measured Depth: 16416

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 11 Twp: 7N Rng: 64W Meridian: 6

Latitude: 40.585920 Longitude: -104.525090

Footage at Surface: 1995 feet FNL/FSL 250 feet FEL/FWL
FSL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4823 13. County: WELD

14. GPS Data:

Date of Measurement: 05/04/2012 PDOP Reading: 1.6 Instrument Operator's Name: ROBERT DALEY

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
1650 FSL 907 FWL 1650 FSL 535 FEL
Sec: 11 Twp: 7N Rng: 64W Sec: 12 Twp: 7N Rng: 64W

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: 3260 ft

18. Distance to nearest property line: 250 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 127 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		640	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):

7N-64W, SEC 11: ALL, SEC 12: E/2, SW/4 and other lands

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 1120

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	100	6	100	0
SURF	13+3/4	9+5/8	36	0	680	300	680	0
1ST	8+3/4	7	26	0	7,266	510	7,266	
1ST LINER	6+1/8	4+1/2	11.6	7116	16,416			

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

33. Comments 1ST STRING TOP OF CEMENT=200' ABOVE THE NIOBRARA. TWO WELL PAD WITH SHABLE USX AB11-65-1HNL. PRODUCTION FACILITY WILL BE LOCATED APPROX. 286' N OF WELL PAD DOC 400290518. EXCEPTION LOCATION TO RULE 318A.a and 318A.c REQUESTED AND ATTACHED. INTRAWELL DISTANCE EXCEPTION 318A.m REQUESTED & ATTACHED. Noble Energy will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated 5/29/12. UNIT CONFIGURATION = S/2 SEC. 11, S/2 SEC. 12-T7N-R647W.

34. Location ID: 416234

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: JAN KAJIWARA

Title: REGULATORY ANALYST

Date: 10/16/2012

Email: jkajiwara@nobleenergyinc.com

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: 12/14/2012

API NUMBER

05 123 36404 00

Permit Number: _____

Expiration Date: 12/13/2014

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)Note surface casing setting depth change from 600' to 680'. Increase cement coverage accordingly and cement to surface.
- 2)Provide notice of MIRU via an electronic Form 42.
- 3)Comply with Rule 317.i and provide cement coverage from the 7" casing TD to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num	Name
2233150	WAIVERS
2481938	SURFACE CASING CHECK
2544173	SURFACE CASING CHECK
400290515	FORM 2 SUBMITTED
400292370	WELL LOCATION PLAT
400292371	30 DAY NOTICE LETTER
400292372	EXCEPTION LOC WAIVERS
400314183	DEVIATED DRILLING PLAN
400314185	DIRECTIONAL DATA
400336059	SURFACE AGRMT/SURETY
400336060	EXCEPTION LOC REQUEST
400336061	PROPOSED SPACING UNIT
400336799	VARIANCE REQUEST

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	12/10/2012 10:28:27 AM
Permit	Horizontal well crosses lease lines within GWA horizontal wellbore unit; distance to lease line is 0'; distance to unit boundary is 535'.	12/10/2012 10:28:21 AM
Permit	Per opeator corrected distance to nearest well, input proposed spacing unit, updated lease description, input distance to nearest lease, added anti collision and bradenhead BMP, and attached 318.m waiver.	11/27/2012 8:09:31 AM
Engineer	Evaluated offset wells for adequate cement coverage.	11/26/2012 7:52:57 AM
Permit	Operator must meet water well testing requirements per Rule 318A.	11/23/2012 9:21:49 AM
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.	11/23/2012 9:21:43 AM
Permit	Requested information on completion type, distance to nearest lease line, proposed spacing unit, anti collision and bradenhead BMP, and 318.m waivers and request.	11/23/2012 9:10:46 AM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.</p> <p>Anti-collision: 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>
Storm Water/Erosion Control	<p>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.</p>
Material Handling and Spill Prevention	<p>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.</p>
General Housekeeping	<p>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.</p>

Total: 4 comment(s)