

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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|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

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 ☐

Document Number:

400009340

Plugging Bond Surety

20010124

3. Name of Operator: KERR-MCGEE OIL & GAS ONSHORE LP 4. COGCC Operator Number: 47120

5. Address: P O BOX 173779

City: DENVER State: CO Zip: 80217-3779

6. Contact Name: Cheryl Light Phone: (720)929-6461 Fax: (720)929-7461

Email: cheryl.light@anadarko.com

7. Well Name: VARRA Well Number: 39-32

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

9. Proposed Total Measured Depth: 8006

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 32 Twp: 3N Rng: 67W Meridian: 6

Latitude: 40.176270 Longitude: -104.905990

Footage at Surface: 411 FNL/FSL FSL FEL/FWL 461 FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4835 13. County: WELD

14. GPS Data:

Date of Measurement: 03/31/2008 PDOP Reading: 6.0 Instrument Operator's Name: Daniel J. Corriell

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

Footage at Top of Prod Zone: FNL/FSL 1200 FSL 50 FEL 50 FEL 50 FEL 50
Bottom Hole: FNL/FSL 1200 FSL 50 FEL 50 FEL 50
Sec: 32 Twp: 3N Rng: 67W Sec: 32 Twp: 3N Rng: 67W

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: 411 ft

18. Distance to nearest property line: 411 ft 19. Distance to nearest well permitted/completed in the same formation: 710 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| J Sand | JSND | 232 | 320 | 32: E2SE; 33: W2SW |
| Niobrara/Codell | NB-CD | 407 | 160 | 32: E2SE; 33: W2SW |

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#: 20010125

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):
See attached Oil & Gas lease

25. Distance to Nearest Mineral Lease Line: 50 ft 26. Total Acres in Lease: 160

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: _____

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 |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 8+5/8 | 24 | 1,155 | 809 | 1,155 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 8,006 | 200 | 8,006 | |

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

33. Comments No conductor casing will be used

34. Location ID: 330474

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: Cheryl Light

Title: Senior Regulatory Analyst Date: 10/27/2009 Email: cheryl.light@anadarko.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. Neslin Director of COGCC Date: 12/18/2009

API NUMBER

05 123 30932 00

Permit Number: _____ Expiration Date: 12/17/2011

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 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Location is outside the window; exception has been granted

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Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|--------------------------|
| 1769650 | SURFACE CASING CHECK | LF@2185831 1769650.00000 |
| 400009342 | MULTI-WELL PLAN | LF@2173602 400009342 |
| 400009343 | DEVIATED DRILLING PLAN | LF@2173603 400009343 |
| 400009344 | OIL & GAS LEASE | LF@2173605 400009344 |
| 400009345 | PLAT | LF@2173608 400009345 |
| 400009346 | PROPOSED SPACING UNIT | LF@2173611 400009346 |
| 400009347 | TOPO MAP | LF@2173620 400009347 |
| 400009348 | EXCEPTION LOC WAIVERS | LF@2173622 400009348 |
| 400009349 | 30 DAY NOTICE LETTER | LF@2173624 400009349 |
| 400011969 | FORM 2 SUBMITTED | LF@2173625 400011969 |

Total Attach: 10 Files