

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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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

Refilling
Sidetrack

Document Number:
400042745
Plugging Bond Surety
20040083

3. Name of Operator: PIONEER NATURAL RESOURCES USA INC 4. COGCC Operator Number: 10084

5. Address: 1401 17TH ST STE 1200
City: DENVER State: CO Zip: 80202

6. Contact Name: Georgina Kovacic Phone: (303)675-2611 Fax: (303)294-1251
Email: georgina.kovacic@pxd.com

7. Well Name: Cave Canyon Well Number: 23-4 Tr

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

9. Proposed Total Measured Depth: 2120

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 4 Twp: 33S Rng: 67W Meridian: 6
Latitude: 37.198680 Longitude: -104.894370

Footage at Surface: 1792 FNL/FSL FSL 2216 FEL/FWL FWL

11. Field Name: Purgatoire River Field Number: 70830

12. Ground Elevation: 7710 13. County: LAS ANIMAS

14. GPS Data:

Date of Measurement: 09/29/2009 PDOP Reading: 4.8 Instrument Operator's Name: R. Coberly

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: 235 ft

18. Distance to nearest property line: 21 ft 19. Distance to nearest well permitted/completed in the same formation: 1856 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.)
Raton	NA	NA		

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#: 20040084

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):
SUA attached to the related Form 2A.

25. Distance to Nearest Mineral Lease Line: 3294 ft 26. Total Acres in Lease: 2662

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: drilling pit

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
CONDUCTOR	12+3/4	12+3/4	33.38	6			
SURF	11	8+5/8	24	820	175	820	0
1ST	7+7/8	5+1/2	15.5	2,120	314	2,120	0

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

33. Comments surface casing exception required for 690 ft due to the COGCC requiring at surface casing depth of 830 ft this would leave behind ~7-15 ft of net Raton or ~10-30% of Net TR Coal. Water well is 4880 ft away and the receipt number is 0518047. Note: The Cave Canyon 23-4 Tr and the Cave canyon 23-4 are both vertical wells. Exception Location Request and Waiver attached.

34. Location ID: 333654

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: Georgina Kovacik

Title: Engineering Tech Date: 2/24/2010 Email: georgina.kovacik@pxd.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: 5/13/2010

Permit Number: _____ Expiration Date: 5/12/2012

API NUMBER
05 071 09665 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 to John Duran at 719-846-4715.

2) Set at least 820' of surface casing per Rule 317d, cement to surface. Due to several water wells within a 1-mile radius with similar bottom hole elevations completed to depths greater than proposed surface casing setting depth the COGCC staff will not grant an exception to the surface casing requirement. Wells are (Rcpt #0513665@4700'NE, #3621804@5000'NE, #0518047@4850'S, and #0503272@4950'SW).

3) Provide cement coverage of production casing from TD to surface casing shoe or above. Verify coverage with cement bond log. 4) Immediately cease operations and notify the COGCC in the event of any operational problem that could potentially impact water wells in the area.

Attachment Check List

Att Doc Num	Name	Doc Description
2110098	SURFACE CASING CHECK	LF@2447286 2110098
2585981	MULTI-WELL PLAN	LF@2455926 2585981
2585984	EXCEPTION LOC REQUEST	LF@2456350 2585984
2585985	EXCEPTION LOC WAIVERS	LF@2456352 2585985
400042779	LEGAL/LEASE DESCRIPTION	LF@2432293 400042779
400042795	30 DAY NOTICE LETTER	LF@2432294 400042795
400042796	CONSULT NOTICE	LF@2432295 400042796
400042798	WELL LOCATION PLAT	LF@2432296 400042798
400042850	FORM 2 SUBMITTED	LF@2432297 400042850

Total Attach: 9 Files