

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:

400099725

Plugging Bond Surety

20010124

3. Name of Operator: KERR-MCGEE OIL & GAS ONSHORE LP 4. COGCC Operator Number: 471205. Address: P O BOX 173779City: DENVER State: CO Zip: 80217-37796. Contact Name: CHERYL LIGHT Phone: (720)929-6461 Fax: (720)929-7461Email: CHERYL.LIGHT@ANADARKO.COM7. Well Name: PINNACLE Well Number: 23-2

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

9. Proposed Total Measured Depth: 8466

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 2 Twp: 1N Rng: 68W Meridian: 6Latitude: 40.074166 Longitude: -104.968344Footage at Surface: 386 FNL/FSL FSL 2018 FEL/FWL FEL11. Field Name: WATTENBERG Field Number: 9075012. Ground Elevation: 5005 13. County: WELD

14. GPS Data:

Date of Measurement: 06/11/2010 PDOP Reading: 1.9 Instrument Operator's Name: CHRIS PEARSON15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: FNL/FSL 1335 FSL 2580 FEL/FWL FEL Bottom Hole: FNL/FSL 1335 FSL 2580 FEL/FWL FELSec: 2 Twp: 1N Rng: 68W Sec: 2 Twp: 1N Rng: 68W16. Is location in a high density area? (Rule 603b)? Yes No17. Distance to the nearest building, public road, above ground utility or railroad: 349 ft18. Distance to nearest property line: 353 ft 19. Distance to nearest well permitted/completed in the same formation: 1039 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 | | 160 | GWA |
| NIOBRARA-CODELL | NB-CD | 407 | 160 | 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 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: 55 ft 26. Total Acres in Lease: 717

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 | 900 | 630 | 900 | |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 8,466 | 200 | 8,466 | |
| 1ST LINER | | | | | | | |

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

33. Comments NO CONDUCTOR CASING WILL BE USED/PROPOSED SPACING UNIT NIOBRARA-CODELL AND JSAND: W/2SE/4, E/2SW/4

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: CHERYL LIGHT

Title: SR. REGULATORY ANALYST Date: 11/2/2010 Email: DJREGULATORY@ANADARK

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: _____

| | | |
|-------------------|--|------------------------|
| API NUMBER | Permit Number: _____ | Expiration Date: _____ |
| 05 | 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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|--|
| 400099725 | FORM 2 SUBMITTED | 400099725.pdf |
| 400099728 | WELL LOCATION PLAT | PINNACLE 23-2 PLAT.pdf |
| 400099729 | TOPO MAP | PINNACLE 23-2 Topo.pdf |
| 400099730 | OIL & GAS LEASE | OGL.PDF |
| 400099732 | 30 DAY NOTICE LETTER | PINNACLE 23-2 Notice Letter 09-20-10.pdf |
| 400099733 | DEVIATED DRILLING PLAN | PINNACLE 23-2 DIRECTIONAL.pdf |
| 400099734 | PROPOSED SPACING UNIT | PINNACLE 23-2 SPACING UNIT MAP.pdf |
| 400105578 | EXCEPTION LOC WAIVERS | PINNACLE EXCEPTION - 318A-a 318A-c.pdf |
| 400105579 | EXCEPTION LOC REQUEST | PINNACLE REQUEST FOR 318A-a 318A-c.pdf |
| 400105654 | SURFACE AGRMT/SURETY | PINNACLE SUA.pdf |

Total Attach: 10 Files