

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 |
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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 ☐
Refiling ☐Sidetrack ☐

Document Number:

400099735

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: PINNACLE Well Number: 37-2

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

9. Proposed Total Measured Depth: 8394

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 2 Twp: 1N Rng: 68W Meridian: 6

Latitude: 40.074167 Longitude: -104.968201

 Footage at Surface: 386 FNL/FSL 1978 FEL/FWL
 FSL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5005 13. County: WELD

14. GPS Data:

Date of Measurement: 06/11/2010 PDOP Reading: 1.9 Instrument Operator's Name: CHRIS PEARSON

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
 50 FSL 1315 FEL 50 FSL 1315 FEL
 Sec: 2 Twp: 1N Rng: 68W Sec: 2 Twp: 1N Rng: 68W
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: 349 ft

18. Distance to nearest property line: 353 ft 19. Distance to nearest well permitted/completed in the same formation: 1606 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: _____ 50 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 | 8,394 | 200 | 8,394 | |
| 1ST LINER | | | | | | | |

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

33. Comments NO CONDUCTOR CASING WILL BE USED/PROPOSED JSAND AND NIOBRARA-CODELL SPACING: Section 2: S/2SE/4; Section 11: N/2NE/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

05

Permit Number: _____ Expiration Date: _____

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 |
|-------------|------------------------|--|
| 400099735 | FORM 2 SUBMITTED | 400099735.pdf |
| 400099736 | WELL LOCATION PLAT | PINNACLE 37-2 PLAT.pdf |
| 400099737 | TOPO MAP | PINNACLE 37-2 Topo.pdf |
| 400099738 | OIL & GAS LEASE | OGL.PDF |
| 400099740 | 30 DAY NOTICE LETTER | PINNACLE 37-2 Notice Letter 09-20-10.pdf |
| 400099741 | DEVIATED DRILLING PLAN | PINNACLE 37-2 DIRECTIONAL.pdf |
| 400099742 | PROPOSED SPACING UNIT | PINNACLE 37-2 SPACING UNIT MAP.pdf |
| 400105580 | EXCEPTION LOC WAIVERS | PINNACLE EXCEPTION - 318A-a 318A-c.pdf |
| 400105581 | EXCEPTION LOC REQUEST | PINNACLE REQUEST FOR 318A-a 318A-c.pdf |
| 400105656 | SURFACE AGRMT/SURETY | PINNACLE SUA.pdf |

Total Attach: 10 Files