

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:
400105188
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: 40-2

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

9. Proposed Total Measured Depth: 8683

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 2 Twp: 1N Rng: 68W Meridian: 6
Latitude: 40.084699 Longitude: -104.965456

Footage at Surface: 1097 feet FNL 1194 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4982 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
2600 FNL 50 FEL 2600 FNL 50 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: 960 ft

18. Distance to nearest property line: 67 ft 19. Distance to nearest well permitted/completed in the same formation: 874 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	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 AND 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	0
1ST	7+7/8	4+1/2	11.6	8,683	200	8,683	

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

33. Comments NO CONDUCTOR CASING WILL BE USED ; PROPOSED GWA UNIT CONFIGURATION FOR NIOBRARA-CODELL AND J-SAND: SECTION 2: SENE, NESE & SECTION 1: SWNW, NWSW ; Kerr McGee Oil & Gas Onshore LP requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line. Consent is given by Article 2 of the SUA.

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: SENIOR REGULATORY ANALYST Date: 11/10/2010 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: David S. Neslin Director of COGCC Date: 12/5/2010

API NUMBER
05 123 32691 00

Permit Number: _____ Expiration Date: 12/4/2012

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 Shannon 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.

Attachment Check List

Att Doc Num	Name
400105188	FORM 2 SUBMITTED
400105198	WELL LOCATION PLAT
400105199	TOPO MAP
400105200	OIL & GAS LEASE
400105201	30 DAY NOTICE LETTER
400105202	SURFACE AGRMT/SURETY
400105203	DEVIATED DRILLING PLAN
400106932	PROPOSED SPACING UNIT

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per Cheryl Light, change distance to surface property line from 1049' to 67'. PVG Exception Location Request Letter is attached to the Form 2A. PVG	11/18/2010 4:08:09 PM
Permit	Wellhead is located less than 150 feet from a surface property line. Surface owner consent to the exception is in Article 2 of the SUA. Requested a Surface property line exception location request letter. Requested distance of the wellhead from the surface property line. PVG	11/18/2010 4:05:00 PM

Total: 2 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)