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|--|--|---|--|----|----|----|----|
| 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 |  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table> | DE | ET | OE | ES |
| DE | ET | OE | ES | | | | |
| APPLICATION FOR PERMIT TO: | | | Document Number: <div style="text-align: center;">400129809</div> Plugging Bond Surety <div style="text-align: center;">20010124</div> | | | | |
| 1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate | | | | | | | |
| 2. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/> | | Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/> | | | | | |
| 3. Name of Operator: <u>KERR-MCGEE OIL & GAS ONSHORE LP</u> 4. COGCC Operator Number: <u>47120</u> | | | | | | | |
| 5. Address: <u>P O BOX 173779</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80217-3779</u> | | | | | | | |
| 6. Contact Name: <u>REBECCA HEIM</u> Phone: <u>(720)929-6361</u> Fax: <u>(720)929-7361</u> Email: <u>rheim@anadarko.com</u> | | | | | | | |
| 7. Well Name: <u>CARTER</u> Well Number: <u>9-32SX</u> | | | | | | | |
| 8. Unit Name (if appl): _____ Unit Number: _____ | | | | | | | |
| 9. Proposed Total Measured Depth: <u>5031</u> | | | | | | | |
| WELL LOCATION INFORMATION | | | | | | | |
| 10. QtrQtr: <u>NWSE</u> Sec: <u>32</u> Twp: <u>2N</u> Rng: <u>66W</u> Meridian: <u>6</u> Latitude: <u>40.093727</u> Longitude: <u>-104.797056</u> | | | | | | | |
| Footage at Surface: <u>2321</u> feet FNL/FSL <u>FSL</u> 1524 feet FEL/FWL <u>FEL</u> | | | | | | | |
| 11. Field Name: <u>WATTENBERG</u> Field Number: <u>90750</u> | | | | | | | |
| 12. Ground Elevation: <u>4913</u> 13. County: <u>WELD</u> | | | | | | | |
| 14. GPS Data: Date of Measurement: <u>10/27/2010</u> PDOP Reading: <u>2.1</u> Instrument Operator's Name: <u>BEN MILIUS</u> | | | | | | | |
| 15. If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan. Footage at Top of Prod Zone: FNL/FSL <u>2130</u> FEL/FWL <u>FSL</u> 510 FEL <u>FEL</u> Bottom Hole: FNL/FSL <u>2130</u> FEL/FWL <u>FSL</u> 510 FEL <u>FEL</u> Sec: <u>32</u> Twp: <u>2N</u> Rng: <u>66W</u> Sec: <u>32</u> Twp: <u>2N</u> Rng: <u>66W</u> | | | | | | | |
| 16. Is location in a high density area? (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | |
| 17. Distance to the nearest building, public road, above ground utility or railroad: <u>275</u> ft | | | | | | | |
| 18. Distance to nearest property line: <u>199</u> ft 19. Distance to nearest well permitted/completed in the same formation: <u>868</u> ft | | | | | | | |
| 20. LEASE, SPACING AND POOLING INFORMATION | | | | | | | |
| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | | | | |
| SUSSEX | SUSX | | 160 | | | | |
| | | | Unit Configuration (N/2, SE/4, etc.) | | | | |
| | | | SE/4 | | | | |

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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):
PLEASE SEE ATTACHED LEASE

25. Distance to Nearest Mineral Lease Line: 510 ft 26. Total Acres in Lease: 200

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

31. Mud disposal: ☒ Offsite ☐ Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

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 | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 8+5/8 | 24 | 0 | 850 | 560 | 850 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 5,031 | 200 | 5,031 | 0 |

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

33. Comments NO CONDUCTOR CASING WILL BE USED. Kerr-McGee Oil & Gas LP requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location.

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: REBECCA HEIM

Title: REGULATORY ANALYST II Date: 2/15/2011 Email: DJRegulatory@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. Nesline Director of COGCC Date: 3/11/2011

API NUMBER

05 123 33140 00

Permit Number: _____ Expiration Date: 3/10/2013

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) Note surface casing setting depth change from 800' to 850'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 3) 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.
- 4) 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 |
|-------------|------------------------|
| 1693870 | DEVIATED DRILLING PLAN |
| 400129809 | FORM 2 SUBMITTED |
| 400129818 | OIL & GAS LEASE |
| 400129819 | DEVIATED DRILLING PLAN |
| 400129821 | PLAT |
| 400129822 | 30 DAY NOTICE LETTER |
| 400129823 | TOPO MAP |
| 400129824 | EXCEPTION LOC WAIVERS |
| 400129825 | EXCEPTION LOC REQUEST |

Total Attach: 9 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Added corrected Directional. plg. | 3/10/2011 10:53:58 AM |
| Permit | Corrected casing information as per opr-Rebecca. sf | 2/16/2011 4:07:06 PM |

Total: 2 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|-----------------------|
| | |

Total: 0 comment(s)