

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
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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:
 400154714

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: REBECCA HEIM Phone: (720)929-6361 Fax: (720)929-7361
 Email: rebecca.heim@anadarko.com

7. Well Name: DACONO Well Number: 29-2

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

9. Proposed Total Measured Depth: 8656

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 2 Twp: 1N Rng: 68W Meridian: 6
 Latitude: 40.082063 Longitude: -104.973282

Footage at Surface: 2048 feet FNL 1861 feet FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5016 13. County: WELD

14. GPS Data:
 Date of Measurement: 10/25/2010 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 FNL 1320 FWL 50 FNL 1320 FWL

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: 1383 ft

18. Distance to nearest property line: 598 ft 19. Distance to nearest well permitted/completed in the same formation: 954 ft

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	232-277	160	GWA
NIOBRARA-CODELL	NB-CD	407-436	160	GWA

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#: 20010125
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 Bond \$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 OGL.
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 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	900	630	900	
1ST	7+7/8	4+1/2	11.6	0	8,656	200	8,656	

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments NO CONDUCTOR CASING WILL BE USED. UNIT CONFIGURATION: NB-CD & JSND T2N-R68W Sec 35 S/2SW/4; T1N-R68W Sec 2 N/2NW/4. PENDING COMMISSION HEARING ON MAY 16, 2011.

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: 4/28/2011 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: 6/29/2011

API NUMBER
05 123 33812 00

Permit Number: _____ Expiration Date: 6/28/2013

CONDITIONS OF APPROVAL, IF ANY:

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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
400154714	FORM 2 SUBMITTED
400154719	30 DAY NOTICE LETTER
400154720	PLAT
400154721	PROPOSED SPACING UNIT
400154722	TOPO MAP
400156002	DEVIATED DRILLING PLAN
400159996	OIL & GAS LEASE

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Added new spacing orders 232-277 for J Sand & 407-436 for NB-CD allowing 12 completions in the NW¼ of Section 36, Township 1 North, Range 68 West.	6/29/2011 4:00:11 PM
Permit	ON HOLD: 1105-EX-08 continued to June hearing.	5/19/2011 4:41:12 PM
Permit	ON HOLD: pending commission hearing on May 16, 2011. Will be 10th well in qtr. plg. ready to pass.	5/3/2011 4:46:23 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)