

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: 150 ft 26. Total Acres in Lease: 160

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	9+5/8	36	0	920	250	920	0
1ST	8+3/4	7	26	0	7,666	740	7,666	
2ND	6+1/8	4+1/2	11.6	0	11,720	0	11,720	6,416

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments No conductor casing will be used. Kerr Mcgee 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. Waiver attached. Proposed spacing unit is W/2E/2; E/2W/2 section 23

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: 5/20/2011 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. Nashin Director of COGCC Date: 7/14/2011

API NUMBER
05 123 33950 00

Permit Number: _____ Expiration Date: 7/13/2013

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 750' to 920'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 48 hour notice of MIRU to Jim Precup at 303-726-3822 or e-mail at jim.precup@state.co.us.
- 3) Comply with Rule 317.i and provide cement coverage from end of production casing to a minimum of 200' above the Niobrara. Verify coverage with cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from end of production casing 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
1771031	SURFACE CASING CHECK
2530674	PROPOSED SPACING UNIT
400167208	FORM 2 SUBMITTED
400167212	OIL & GAS LEASE
400167213	OIL & GAS LEASE
400167214	30 DAY NOTICE LETTER
400167215	DEVIATED DRILLING PLAN
400167216	PLAT
400167218	TOPO MAP
400167219	WAIVERS
400167220	EXCEPTION LOC REQUEST

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	On hold waiting on proposed spacing unit attachments.	5/24/2011 11:05:26 AM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	During the fracing of this Powers horizontal well, Kerr-McGee will monitor the casing pressure of the existing UPRR 62 PAN AM Unit I1 and UPRR 62 PAN AM E2 wells for a period of 24-hours and report this casing pressure to the COGCC staff via a sundry.

Total: 1 comment(s)