

APPLICATION FOR PERMIT TO:

1. **Drill,** Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____

SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

Document Number:
400239495

PluggingBond SuretyID
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: HEIN Well Number: 8-1

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

9. Proposed Total Measured Depth: 8471

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 1 Twp: 1N Rng: 67W Meridian: 6
Latitude: 40.081973 Longitude: -104.836624

Footage at Surface: 1987 feet FNL 1858 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4895 13. County: WELD

14. GPS Data:
Date of Measurement: 11/21/2011 PDOP Reading: 1.9 Instrument Operator's Name: BEN MILIUS

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

1980 FNL 660 FEL 1980 FNL 660 FEL

Sec: 1 Twp: 1N Rng: 67W Sec: 1 Twp: 1N Rng: 67W

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: 637 ft

18. Distance to nearest property line: 536 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1034 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.)
DAKOTA	DKTA	499	320	E/2
J SAND	JSND	232	320	E/2
NIOBRARA CODELL	NB-CD	407	80	E/2NE/4
SUSSEX	SUSX	250	80	E/2NE/4

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#: 2010125

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 Oil and Gas Lease.

25. Distance to Nearest Mineral Lease Line: 554 ft 26. Total Acres in Lease: 230

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	0	900	630	900	0
1ST	7+7/8	4+1/2	11.6	0	8,471	200	8,471	

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

33. Comments No conductor casing will be used.

34. Location ID: 326700

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: 1/13/2012 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. Nash Director of COGCC Date: 2/10/2012

API NUMBER
05 123 35073 00

Permit Number: _____ Expiration Date: 2/9/2014

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 COGCC inspector Mike Hickey via e-mail at Mike.Hickey@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address.
- 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.

Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
400239495	FORM 2 SUBMITTED
400239540	DEVIATED DRILLING PLAN
400239542	PLAT
400239543	TOPO MAP
400239544	30 DAY NOTICE LETTER
400239545	OIL & GAS LEASE
400239546	OTHER
400240809	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	2/6/2012 9:13:32 AM
Permit	Okay to pass pending public comment 2/02/12.	1/23/2012 3:05:51 PM
Permit	Operator requests omission of open hole logs.	1/23/2012 3:05:39 PM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)