

FORM  
2

Rev  
12/05

State of Colorado  
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400266175

Date Received:

04/04/2012

PluggingBond SuretyID

20090078

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 ☐

3. Name of Operator: PETROLEUM DEVELOPMENT CORPORATION

4. COGCC Operator Number: 69175

5. Address: 1775 SHERMAN STREET - STE 3000

City: DENVER State: CO Zip: 80203

6. Contact Name: Liz Lindow Phone: (303)831-3974 Fax: ()

Email: llindow@petd.com

7. Well Name: Wells Ranch Well Number: 34F-402

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

9. Proposed Total Measured Depth: 11234

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 34 Twp: 6N Rng: 63W Meridian: 6

Latitude: 40.446620 Longitude: -104.432520

Footage at Surface: 1300 feet FNL 50 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4804 13. County: WELD

14. GPS Data:

Date of Measurement: 02/16/2012 PDOP Reading: 1.1 Instrument Operator's Name: Adam Kelly

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  
1360 FNL 500 FWL 1360 FNL 500 FEL  
Sec: 34 Twp: 6N Rng: 63W Sec: 34 Twp: 6N Rng: 63W

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: 1300 ft

18. Distance to nearest property line: 50 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 622 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Codell                 | CODL           |                         | 320                           | 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 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):

6n 66w Section 34: All

25. Distance to Nearest Mineral Lease Line: 500 ft

26. Total Acres in Lease: 640

### 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: Closed loop

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             | 875           | 730       | 875     | 0       |
| 1ST         | 8+3/4        | 7              | 26    | 0             | 7,263         | 650       | 7,263   | 600     |
| 1ST LINER   | 6+1/8        | 4+1/2          | 11.6  | 6057          | 11,234        |           |         |         |

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

33. Comments Conductor casing will not be used. Operator requests an exception location per rule 318Aa and rule 318Ac: well will not be drilled in a legal drilling window or twinned with an existing well. Waviers attached. Per rule 318Ae, the Operator requests the proposed spacing unit consisting of 320 acres, N2 of Sec 34 T6N R63W. Proposed spacing unit map and 30-day certificate is attached. Offset property owner is the same as the well location.

34. Location ID: 427366

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: Liz Lindow

Title: Permit Representative

Date: 4/4/2012

Email: llindow@petd.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: \_\_\_\_\_

Director of COGCC

Date: 5/4/2012

#### API NUMBER

05 123 35535 00

Permit Number: \_\_\_\_\_

Expiration Date: 5/3/2014

#### 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.

Operator must meet water well sampling requirements as per Rule 318A.

- 1) Provide 48 hour notice prior to spud via Form 42.
- 2) Provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) 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                   |
|-------------|------------------------|
| 2532216     | EXCEPTION LOC REQUEST  |
| 2532217     | EXCEPTION LOC WAIVERS  |
| 400266175   | FORM 2 SUBMITTED       |
| 400266176   | WELL LOCATION PLAT     |
| 400266177   | 30 DAY NOTICE LETTER   |
| 400266178   | EXCEPTION LOC WAIVERS  |
| 400266180   | TOPO MAP               |
| 400266184   | PROPOSED SPACING UNIT  |
| 400268536   | DIRECTIONAL DATA       |
| 400268537   | DEVIATED DRILLING PLAN |

Total Attach: 10 Files

### **General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>   | <b><u>Comment Date</u></b> |
|--------------------------|---|----------------------------|
| Permit                   | No LGD or public comment received; final review completed.  | 5/1/2012 6:03:46 AM        |
| Permit                   | Operator revised permit to include the Frac monitoring BMP to address the approximately 150 feet between Niob. and Codell horizontal laterals.  | 4/25/2012 12:55:20 PM      |
| Permit                   | This horizontal Codell well will be drilled directly below and parallel to the Petroleum Development Corp, Wells Ranch 34F-202 horizontal Niobrara well. The vertical distance between the horizontal portions of these 2 wells will be approximately 150 feet.   | 4/20/2012 6:26:07 AM       |
| Permit                   | Operator requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line. Updated permit with property line request and waiver.   | 4/12/2012 9:31:19 AM       |
| Permit                   | Operator revised the lease acres and distance to lease line.  | 4/9/2012 7:41:15 AM        |
| Permit                   | On hold - The distance to mineral lease line appears to be wrong. The total amount of acres in the lease appears wrong. If the well is 50 feet from a property line than the surface owner must sign a waiver (603A2) even if the property line owner is the same. Also need the exception location request letter for the 603A2. | 4/6/2012 5:58:05 AM        |

Total: 6 comment(s)

## **BMP**

| <b><u>Type</u></b>             | <b><u>Comment</u></b>  |
|--------------------------------|--|
| Drilling/Completion Operations | <p>1. At least seven (7) days prior to fracture stimulation, the operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated date stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.</p> <p>2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.</p> <p>3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved. Alternate electronic measurement may be used to record the prescribed pressures. Data shall be kept for a period of one year.</p> <p>4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.</p> |

Total: 1 comment(s)