

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

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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: [Signature] 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

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
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

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<ol style="list-style-type: none"><li data-bbox="467 170 1520 346">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.<li data-bbox="467 346 1520 430">2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.<li data-bbox="467 430 1520 661">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.<li data-bbox="467 661 1520 892">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.

Total: 1 comment(s)