

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:

400287970

Date Received:

05/23/2012

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: PDC ENERGY INC

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: Magnuson Well Number: 23I-421

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

9. Proposed Total Measured Depth: 11878

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 23 Twp: 7N Rng: 66W Meridian: 6

Latitude: 40.554010 Longitude: -104.751690

Footage at Surface: 225 feet FSL 720 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4899 13. County: WELD

14. GPS Data:

Date of Measurement: 04/14/2012 PDOP Reading: 1.4 Instrument Operator's Name: Thomas Carlson

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  
225 FSL 720 FWL 500 FNL 660 FWL  
Sec: 23 Twp: 7N Rng: 66W Sec: 23 Twp: 7N Rng: 66W

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: 227 ft

18. Distance to nearest property line: 225 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 460 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           |                         | 160                           | W2W2                                 |

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):

All of Section 23, T7N R66W

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: \_\_\_\_\_

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             | 8,038         | 650       | 8,038   | 600     |
| 1ST LINER   | 6+1/8        | 4+1/2          | 11.6  | 6662          | 11,878        |           |         |         |

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 160 acres, W2W2 of Sec 23 T7N R66W. Proposed spacing unit map and 30-day certificate is attached.

34. Location ID: 428210

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: 5/23/2012 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: 7/22/2012

#### API NUMBER

05 123 35854 00

Permit Number: \_\_\_\_\_ Expiration Date: 7/21/2014

#### 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 Testing requirements as per amended Rule 318Ae(4)

Note agreed upon BMP for drilling stimulation that was added 7/13/12.

Final Review Completed. No LGD or public comment received.

1)Provide notice of MIRU via an electronic Form 42.

2)Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.

3)Comply with Rule 321. Run and submit Directional Survey from the TD to surface. 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                   |
|-------------|------------------------|
| 2113772     | WELL LOCATION PLAT     |
| 2481654     | SURFACE CASING CHECK   |
| 400287970   | FORM 2 SUBMITTED       |
| 400288003   | 30 DAY NOTICE LETTER   |
| 400288004   | EXCEPTION LOC WAIVERS  |
| 400288011   | PROPOSED SPACING UNIT  |
| 400288022   | EXCEPTION LOC REQUEST  |
| 400288023   | DEVIATED DRILLING PLAN |
| 400288024   | WELL LOCATION PLAT     |
| 400288025   | DIRECTIONAL DATA       |

Total Attach: 10 Files

### **General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b><u>Comment Date</u></b> |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Permit                   | Attached corrected location plat identifying well as HZ not Directional.                                                                                                                                                                                                                                                                                                                                                                                                        | 6/27/2012<br>4:02:29 PM    |
| Permit                   | Operator requests approval of a Rule 318Aa, Rule 318Ae, and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window, the well will be drilled to a 318Ae infill location from outside of a GWA drilling window, and the wellhead will be located more than 50' from an existing well location. Request and waivers attached.<br>Deleted spacing order number for GWA wellbore spacing unit.<br>Ready to pass pending public comment 6/19/2012 | 5/29/2012<br>8:59:21 AM    |

Total: 2 comment(s)

## **BMP**

| <b><u>Type</u></b>             | <b><u>Comment</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Drilling/Completion Operations | <p>It was agreed in a consultation with Petroleum Development Corporation personnel on July 13, 2012 that precautions shall be taken during drilling and/or stimulation to decrease the risk of communicating with the Magnusson #1-23 (API# 123-11293), a dry and abandoned well. The referenced well lacks isolation of the Fox Hills Aquifer and the Niobrara and Codell formations. To reduce the risk of impacting any un-isolated zones, no segments of the borehole within 300' of the referenced well shall be stimulated. At the Operator's discretion, a portion of or the entire 300' setback may be created during the drilling of the proposed wellbore. If this option is selected, a revised directional drilling plan must be submitted via Sundry Form 4 prior to drilling to ensure the wellbore is still within the lease. Also at least ten (10) days prior to stimulation, the Operator shall provide a Form 4 and Form 5 for COGCC approval. The Form 4 shall detail the stimulation plan and any segment of the borehole to be eliminated from stimulation due to the setback referenced above. The Form 5 shall contain an uploaded directional template to confirm either the setback distances were created during drilling or any segment of wellbore that may not be stimulated. This Sundry notice shall be submitted via email to the appropriate engineer.</p> <p>The identified setbacks could be eliminated by COGCC staff, if the Operator submits a Form 6 Notice of Intent to Abandon and performs the abandonment to the referenced existing well prior to the stimulation of the proposed well. The abandonment procedure will be determined at the time of Form 6 submittal and the elimination of the setback will be determined by the success of the plugging operation.</p> |

Total: 1 comment(s)