

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:

400330481

Date Received:

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 ☐

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: Cheryl Light Phone: (720)929-6461 Fax: (720)929-7461

Email: cheryl.light@anadarko.com

7. Well Name: GITTLEIN Well Number: 3C-28HZ

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

9. Proposed Total Measured Depth: 14425

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 33 Twp: 2N Rng: 65W Meridian: 6

Latitude: 40.088394 Longitude: -104.670816

Footage at Surface: 207 feet FNL/FSL FSL 2087 feet FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4911 13. County: WELD

14. GPS Data:

Date of Measurement: 06/07/2012 PDOP Reading: 1.6 Instrument Operator's Name: TERRY SANDERS

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
 630 FSL 2307 FWL 2180 FSL 2310 FWL
 Sec: 33 Twp: 2N Rng: 65W Sec: 28 Twp: 2N Rng: 65W

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: 1895 ft

18. Distance to nearest property line: 241 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 134 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.)
CARLILE	CARL		480	GWA
NIOBRARA-CODELL	NB-CD		480	GWA

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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):

Please see attached lease descriptions. Horizontal wellbore will produce from multiple leases.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 700

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	13+1/2	9+5/8	36.0	0	1,300	620	1,300	0
1ST	8+3/4	7	26.0	0	7,612	660	7,612	0
1ST LINER	6+1/8	4+1/2	11.6	6595	14,425			

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

33. Comments No conductor casing will be used. Unit Configuration NB-CD and CARL: Sec. 28:W/2SE/4, E/2SW/4; Sec. 33:W/2E/2, E/2W/2. Kerr-McGee Oil & Gas Onshore LP ("KMG") respectfully requests the Director to waive Rule 318A.m for this well. KMG is the operator of the encroached upon well(s). The surface location of this well is an exception to Rule 318A.a and to Rule 318A.c. This well is not within the GWA surface location window and does not meet the twinning requirement due to the number of wells planned for this area and at the request of the surface owner. An exception location request letter and signed waivers are attached to the Form 2 and Form 2A. Operator will run open hole logs into the surface casing on the first well drilled on this pad. Given the technical and geologic difficulties in keeping the wellbore within the target formation in a Codell permitted horizontal well, Kerr-McGee believes it prudent to be able to permit both formations above and below the Codell (Carlile and Niobrara). Kerr-McGee is currently structuring its contracts to account for the wellbore penetrating the Carlile and/or the Niobrara where the target formation is the Codell. In the event that the Carlile is penetrated, and there is an owner in the Carlile formation that is not an owner in the Codell, that portion of the lateral will not be completed. Kerr-McGee is currently not drilling horizontal wells where the working interest ownership in the Codell and Niobrara is not common.

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: Cheryl Light

Title: Sr. Regulatory Analyst Date: _____ 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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

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Attachment Check List

Att Doc Num	Name
400330486	DEVIATED DRILLING PLAN
400330487	PLAT
400330488	TOPO MAP
400330489	30 DAY NOTICE LETTER
400330490	SURFACE AGRMT/SURETY
400330492	EXCEPTION LOC REQUEST
400330493	EXCEPTION LOC WAIVERS
400330494	VARIANCE REQUEST
400330495	PROPOSED SPACING UNIT
400330496	OTHER
400331805	LEGAL/LEASE DESCRIPTION
400331939	DIRECTIONAL DATA
400331941	DIRECTIONAL DATA

Total Attach: 13 Files

General Comments

User Group	Comment	Comment Date

Total: 0 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Kerr McGee acknowledges and will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.
Drilling/Completion Operations	<p>"Prior to drilling operations, Operator may perform an anti-collision review of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys and surface locations of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well may only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anti-collision plan, with separation factors greater than 1.5, or if the risk of collision has been mitigated through other means including shutting in wells, plugging wells, increased drilling fluid in the event of lost returns or as is appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, the environment or property. For the proposed well, upon conclusion of drilling operations, an as-constructed directional survey will be submitted to COGCC with the Form 5."</p> <p>At the time of permitting; the operator has identified the following well(s) as being within close proximity of the proposed well:</p> <p>GITTLEIN 3C-28HZ: - HSR-ROLAND 11-28A</p>

Total: 2 comment(s)