

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:

400335096

Date Received:

10/12/2012

PluggingBond SuretyID

20010124

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: 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: FARLEY Well Number: 2N-23HZ

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

9. Proposed Total Measured Depth: 11728

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 23 Twp: 3N Rng: 66W Meridian: 6

Latitude: 40.205100 Longitude: -104.741645

Footage at Surface: 597 feet FSL 1879 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4979 13. County: WELD

14. GPS Data:

Date of Measurement: 05/17/2012 PDOP Reading: 1.6 Instrument Operator's Name: OWEN McKEE

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 \_\_\_\_\_  
623 FSL 1895 FEL 460 FNL 1900 FEL  
Sec: 23 Twp: 3N Rng: 66W Sec: 23 Twp: 3N 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: 1497 ft

18. Distance to nearest property line: 626 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 32 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.)
NIOBRARA	NBRR		160	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):

Horizontal wellbore will produce from multiple leases, please see attached Lease Description.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 5959

### 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	937	700	937	0
1ST	8+3/4	7	26.0	0	7,567	720	7,567	0
1ST LINER	6+1/8	4+1/2	11.6	6567	11,728			

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

33. Comments No conductor casing will be used. Unit Configuration NBRR: W/2E/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). Operator will run open hole logs into the surface casing on the first well drilled on this pad.

34. Location ID: 336196

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: 10/12/2012 Email: DJRegulatory@anadarko.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: Matthew Lee Director of COGCC Date: 11/15/2012

API NUMBER **05 123 36308 00** Permit Number: \_\_\_\_\_ Expiration Date: 11/14/2014

#### 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 notice of MIRU via an electronic Form 42.
- 2) Comply with Rule 317.i and provide cement coverage from the 7" casing TD to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.

**Attached COGCC Policies and Notice to Operator**

No	Policy
1	Notice Concerning Operating Requirements for Wildlife Protection.
2	Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

**Attachment Check List**

Att Doc Num	Name
400335096	FORM 2 SUBMITTED
400335103	DEVIATED DRILLING PLAN
400335104	PLAT
400335105	TOPO MAP
400335106	30 DAY NOTICE LETTER
400335107	SURFACE AGRMT/SURETY
400335108	LEGAL/LEASE DESCRIPTION
400335109	VARIANCE REQUEST
400335110	PROPOSED SPACING UNIT
400335111	OTHER
400336132	DIRECTIONAL DATA

Total Attach: 11 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Final Review Completed. No LGD or public comment received.	11/13/2012 11:52:15 AM
Permit	ok to pass.	10/23/2012 2:52:22 PM
Permit	Operator requests approval of a Rule 318Am exception location: Wellbore is to be located less than 150' from an existing wellbore. Request and waivers attached.	10/23/2012 2:51:58 PM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	10/23/2012 2:51:56 PM
Permit	Operator's request for omission of open hole logs.	10/23/2012 2:51:55 PM
Engineer	Evaluated offset wells for adequate cement coverage.	10/15/2012 1:35:29 PM
Permit	This form passed completeness.	10/15/2012 12:21:47 AM

Total: 7 comment(s)

## BMP

<u>Type</u>	<u>Comment</u>
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>FARLEY 2N-23HZ: - KUGEL UPRR 32-23 - KUGEL 31-23A - FARLEY 10-23A</p>
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.

Total: 2 comment(s)