

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



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12/19/2012

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: liz.lindow@pdce.com

7. Well Name: Dillard Well Number: 20Y-401

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

9. Proposed Total Measured Depth: 11599

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 20 Twp: 7N Rng: 64W Meridian: 6

Latitude: 40.552130 Longitude: -104.566120

Footage at Surface: 380 feet FNL/FSL FSL 561 feet FEL/FWL FEL

11. Field Name: Galeton Field Number: 27930

12. Ground Elevation: 4864 13. County: WELD

14. GPS Data:

Date of Measurement: 10/22/2012 PDOP Reading: 1.6 Instrument Operator's Name: Wyatt Hall

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 500 FSL 200 FEL FEL Bottom Hole: FNL/FSL 500 FNL 200 FEL FEL
Sec: 20 Twp: 7N Rng: 64W Sec: 20 Twp: 7N Rng: 64W

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: 137 ft

18. Distance to nearest property line: 183 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 267 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):

T7N R64W Sec 20, E2

25. Distance to Nearest Mineral Lease Line: 200 ft 26. Total Acres in Lease: 320

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	7,732	650	7,732	600
1ST LINER	6+1/8	4+1/2	11.6	6409	11,599			

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, E2E2 of Sec 20 and W2W2 of Sec 21 T7N R64W. Proposed spacing unit map and 30-day certificate is attached. The power line 137' to the south will be moved by Poudre Valley REA prior to drilling.

34. Location ID: 427337

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: Regulatory Analyst Date: 12/19/2012 Email: liz.lindow@pdce.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.

Data retrieval failed for the subreport 'IntPolicy_NTO' located at: W:\Inetpub\NetReports\policy_nto.rdl. Please check th

Attachment Check List

Att Doc Num	Name
400345306	WELL LOCATION PLAT
400355702	DEVIATED DRILLING PLAN
400355704	DIRECTIONAL DATA
400358698	EXCEPTION LOC WAIVERS
400358699	30 DAY NOTICE LETTER
400358700	EXCEPTION LOC REQUEST
400360377	PROPOSED SPACING UNIT

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date

Total: 0 comment(s)

BMP

Type	Comment
Drilling/Completion Operations	<p>Wellbore Fracturing Stimulation</p> <p>The Operator will comply with this policy. The Colorado Oil and Gas Conservation Commission (COGCC) has established this Policy Regarding Bradenhead Monitoring During Hydraulic Fracturing Treatments ("Treatment") in the Greater Wattenberg Area ("GWA") pursuant to COGCC 207.a. ("Policy"). This Policy applies to oil and gas operations in the GWA as defined by the COGCC Rules of Practice and Procedure.</p> <p>1. At least twenty (20) days prior to initiating a Treatment, the operator ("Operator") shall provide written notice, via hand delivery, via confirmed receipt email, or via certified mail, return-receipt requested, to all adjacent operators ("Adjacent Operators") where the Adjacent Operator's wellbore is located within 300 feet of the Operator's wellbore and the Adjacent Operator's wellbore penetrates the productive zone which is to be treated by the Operator. Such notice shall include the anticipated date of the Treatment and shall provide a copy of this Policy.</p> <p>2. Within seven (7) days of receipt of such notice, the Adjacent Operator shall confirm in writing to the Operator that it will comply with this Policy. If the Adjacent Operator refuses to confirm that it will comply with this Policy, or fails to timely respond to the Operator's notice, the Operator shall advise the Commission staff of such refusal or failure by email. The Commission may then order the Adjacent Operator's compliance.</p> <p>3. The Operator shall monitor the bradenhead pressure of all wells under Operator's control within 300 feet of the well which is to be treated, provided such other wells penetrate the productive zone which is to be treated.</p> <p>4. The Operator and Adjacent Operator(s) shall install bradenhead pressure gauges on their respective wells 24 hours prior to the Operator initiating a Treatment. The Operator and Adjacent Operator(s) shall monitor their respective gauges at least once during every 24-hour period until 24 hours after the Treatment is completed and shall continue to do so until the pressure stabilizes. The bradenhead pressure gauges shall be capable of monitoring current pressure and also capable of recording the maximum pressure encountered in a 24 hour period. Such gauges shall be reset between each 24 hour period. The pressures shall be recorded and saved for a period of one year. Alternate electronic measurement may be used to record the prescribed pressures.</p> <p>5. If at any time during the Treatment or the 24-hour post-stimulation period, the bradenhead annulus pressure of the Treatment well or any offset wells subject to this Policy increases by more than 200 psig, the Operator of the well being treated, or the Adjacent Operator(s) of an affected offsetting well, as the case may be, shall verbally notify each other and the Director, as soon as practicable, but no later than twenty-four (24) hours following such incident. Within fifteen (15) days after the occurrence, the Operator or Adjacent Operator(s), as the case may be, shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken</p>

Total: 1 comment(s)