

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:

400345316

Date Received:

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: 20T-401

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

9. Proposed Total Measured Depth: 11631

WELL LOCATION INFORMATION

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

Latitude: 40.552130 Longitude: -104.566340

Footage at Surface: 381 feet FNL/FSL 621 feet FEL/FWL FEL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4865 13. County: WELD

14. GPS Data:

Date of Measurement: 10/22/2012 PDOP Reading: 2.3 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 1190 FEL FEL Bottom Hole: FNL/FSL 500 FNL 1190 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: 202 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 632 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):

E2 of Sec 20 T7N R64W

25. Distance to Nearest Mineral Lease Line: 500 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+0/0	26	0	7,765	650	7,765	600
1ST LINER	6+1/8	4+1/2	11.6	6437	11,631			

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, E2 of Sec 20 T7N R64W. Proposed spacing unit map and 30-day certificate is attached. Overhead utility line will be buried 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

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: 1/23/2013

API NUMBER

05 123 36601 00

Permit Number: _____ Expiration Date: 1/22/2015

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.

Overhead Utility line must be removed, buried, or relocated to meet state setback requirements prior to drilling this well.

Operator must meet water well testing requirements per Rule 318A.

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2482057	SURFACE CASING CHECK
400345316	FORM 2 SUBMITTED
400345317	WELL LOCATION PLAT
400355705	DEVIATED DRILLING PLAN
400355706	DIRECTIONAL DATA
400358703	EXCEPTION LOC REQUEST
400358704	30 DAY NOTICE LETTER
400358705	EXCEPTION LOC WAIVERS
400360400	PROPOSED SPACING UNIT

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	1/22/2013 9:39:34 AM
Permit	Input updated distance to nearest wellbore per operator.	1/7/2013 7:12:59 AM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached.	1/2/2013 7:34:15 AM
Permit	Requested updated bradenhead BMP and distance to nearest wellbore. Nearest building, road, powerline, or railroad is ~500' after powerline. Initial review complete.	1/2/2013 7:34:14 AM
Engineer	Evaluated offset wells for adequate cement coverage.	12/27/2012 8:26:21 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)