

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:

400345318

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-221

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

9. Proposed Total Measured Depth: 11467

WELL LOCATION INFORMATION

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

Latitude: 40.552130 Longitude: -104.566230

Footage at Surface: 381 feet FSL 591 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4865 13. County: WELD

14. GPS Data:

Date of Measurement: 10/22/2012 PDOP Reading: 1.2 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
500 FSL 874 FEL 500 FNL 874 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: 193 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 211 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 | | 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: 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 | 830 | 875 | 0 |
| 1ST | 8+3/4 | 7+0/0 | 26 | 0 | 7,486 | 650 | 7,486 | 500 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6272 | 11,467 | | | |

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 | Permit Number: _____ | Expiration Date: <u>1/22/2015</u> |
| 05 123 36602 00 | 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 per Rule 318A.

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

1)Provide notice of MIRU via an electronic Form 42.
 2)Comply with Rule 317.i and provide cement coverage to a minimum of 200' above the Niobrara. Verify cement coverage with a cement bond log per 317.o.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
 Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 2482057 | SURFACE CASING CHECK |
| 400345318 | FORM 2 SUBMITTED |
| 400346588 | WELL LOCATION PLAT |
| 400355707 | DEVIATED DRILLING PLAN |
| 400355708 | DIRECTIONAL DATA |
| 400358706 | 30 DAY NOTICE LETTER |
| 400358707 | EXCEPTION LOC REQUEST |
| 400358708 | EXCEPTION LOC WAIVERS |
| 400360402 | PROPOSED SPACING UNIT |

Total Attach: 9 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| Permit | Corrected distance to nearest utility. Final Review Completed. No LGD or public comment received. | 1/22/2013 9:47:11 AM |
| Engineer | Evaluated offset wells for adequate cement coverage. | 1/3/2013 1:21:49 PM |
| Permit | Per operator input Bradenhead BMP. | 1/2/2013 8:26:53 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 7:26:53 AM |
| Permit | Requested updated bradenhead BMP. Nearest building, road, powerline, or railroad is ~500' after powerline. Initial review complete. | 1/2/2013 7:26:52 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|--|
| Drilling/Completion Operations | Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. |

Total: 1 comment(s)