

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:

400360170

Date Received:

12/20/2012

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: GRIFFITHS Well Number: 13N-20HZ

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

9. Proposed Total Measured Depth: 17354

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 17 Twp: 1N Rng: 67W Meridian: 6

Latitude: 40.057103 Longitude: -104.921430

Footage at Surface: 465 feet FNL/FSL 710 feet FEL/FWL
 FNL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5070 13. County: WELD

14. GPS Data:

Date of Measurement: 05/02/2012 PDOP Reading: 2.7 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
 633 FNL 835 FWL 460 FSL 800 FWL
 Sec: 17 Twp: 1N Rng: 67W Sec: 20 Twp: 1N Rng: 67W

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: 348 ft

18. Distance to nearest property line: 463 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 289 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 ☐ 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 ☒ No23b. 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: 6108

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	1,050	670	1,050	0
1ST	8+3/4	7	26.0	0	7,880	770	7,880	0
1ST LINER	6+1/8	4+1/2	11.6	6843	17,354			

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

33. Comments No conductor casing will be used. Unit Configuration NBRR: Sec. 17: W/2W/2; Sec. 20: W/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). Operator will run open hole logs into the surface casing on the first well drilled on this pad.

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: 12/20/2012

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: 1/31/2013

API NUMBER

05 123 36636 00

Permit Number: _____

Expiration Date: 1/30/2015

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.

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

- 1) Note surface casing setting depth change from 900' to 1050'. Increase cement coverage accordingly and cement to surface.
- 2) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

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
400360170	FORM 2 SUBMITTED
400360172	PLAT
400360176	SURFACE AGRMT/SURETY
400360177	LEGAL/LEASE DESCRIPTION
400360178	VARIANCE REQUEST
400360179	PROPOSED SPACING UNIT
400360180	OTHER
400363172	30 DAY NOTICE LETTER
400363173	DIRECTIONAL DATA
400363180	DEVIATED DRILLING PLAN

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	1/29/2013 9:19:18 AM
Permit	ok to pass.	1/11/2013 11:37:13 AM
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.	1/11/2013 11:37:11 AM
Permit	Operator's request for omission of open hole logs.	1/11/2013 11:37:10 AM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	1/11/2013 11:37:08 AM
Permit	operator corrected DDdata/template to correlate with DDplan values; removed add'l dddata attachment and confirmed that the 13N-20HZ and 35C-20 HZ wells share same location. This form passed completeness.	1/1/2013 1:56:44 PM
Permit	Return to draft: 1. 30 day notice includes another well facility (35C-20HZ), 2. deviated drilling plan values do not match directional drilling data/template, plat, and question #15 values, 3. removed a directional drilling data attachment; remove spreadsheet.	12/23/2012 12:21:43 PM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Kerr McGee acknowledges the proximity of Kerr McGee's wells UPRR 42 PAN AM N/NAV 1(05-123-08105) and MARGUERITE TOTEMS UNIT 1 (05-123-07900) to Kerr McGee's proposed Griffiths wells, Kerr McGee shall undertake necessary mitigation measures to prevent groundwater contamination from the above identified offset wells in the drilling and completion of proposed well. CL
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: GRIFFITHS 13N-20HZ: - UPRR 42 PAN AM GU AL TRUE 1 - MARGUERITE TOTEMS UNIT 1 - MARGUERITE TOTEMS UNIT 2</p>

Total: 3 comment(s)