

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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Date Received:

05/29/2013

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: RUSSIAN FIDDLER Well Number: 36N-18HZX

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

9. Proposed Total Measured Depth: 12771

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 19 Twp: 2N Rng: 65W Meridian: 6

Latitude: 40.117499 Longitude: -104.711082

Footage at Surface: 318 feet FNL/FSL 1333 feet FEL/FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5000 13. County: WELD

14. GPS Data:

Date of Measurement: 03/02/2012 PDOP Reading: 2.2 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
681 FNL 2395 FEL 460 FSL 2388 FWL
Sec: 19 Twp: 2N Rng: 65W Sec: 18 Twp: 2N Rng: 65W

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: 251 ft

18. Distance to nearest property line: 275 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 346 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		400	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):

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 5885

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	1,003	730	1,003	0
1ST	8+3/4	7+0/0	26	0	7,668	730	7,668	0
1ST LINER	6+1/8	4+1/2	11.6	6596	12,411			

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

33. Comments No conductor casing will be used./Unit Configuration NBRR: Sec. 19:E/2W/2, W/2E/2; Sec. 18:SE/4SW/4, SW/4SE/4/Unplanned Sidetrack/Verbal Approval: Granted by Diana Burn (COGCC) at 3:58pm 05/28/2013/While drilling the lateral hole interval at a depth of 12,127' tight hole conditions were experienced and the decision was made to trip out of the hole. A reaming BHA was picked up and run in hole to improve hole conditions prior to running the production liner. During the reaming operations tight hole was experienced at 10,760', working the drill string it was determined that the borehole had collapsed. A review of the seismic and LWD data indicated this was where the wellbore had crossed a 113' fault and come within 10' of the Sharon Springs formation. A second attempt to clean the hole was made with a motor and bit but was found to be unsuccessful resulting in erratic torque and drilling parameters posing a risk of sticking the BHA downhole. The decision was made to perform an open hole sidetrack to re-drill the remaining 1,750' of lateral. The depth providing the highest likelihood of success for the side track was located at 9,645'MD, 7,204' TVD. The plan forward will be sidetrack below the current wellbore to cross the fault in more competent rock and re-drill the additional 1,750' in the Niobrara B/C bench.

34. Location ID: 430621

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: 5/29/2013 Email: DJREGULATORY@ANADARK

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: 6/7/2013

API NUMBER

05 123 36213 01

Permit Number: _____ Expiration Date: 6/6/2015

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.

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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
2114081	DEVIATED DRILLING PLAN
400425853	FORM 2 SUBMITTED
400425887	PLAT
400427017	DIRECTIONAL DATA

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator sent corrected Deviated Drilling Plan and Directional data. Operator corrected TPZ footages. Footages now match. Made correction to well total depth.	5/31/2013 8:11:57 AM
Permit	Calculated different footages from operator numbers. Requested opr check them again.	5/30/2013 11:15:36 AM

Total: 2 comment(s)

BMP

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