

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:

400418248

Date Received:

05/17/2013

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: LAUREN KUCERA Phone: (720)929-6107 Fax: (720)929-7107

Email: lauren.kucera@anadarko.com

7. Well Name: DCP STATE Well Number: 38N-17HZ

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

9. Proposed Total Measured Depth: 14118

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 8 Twp: 3N Rng: 66W Meridian: 6

Latitude: 40.238004 Longitude: -104.793813

Footage at Surface: 2168 feet FSL 529 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4855 13. County: WELD

14. GPS Data:

Date of Measurement: 04/08/2013 PDOP Reading: 2.0 Instrument Operator's Name: DAVID MACDONALD

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 _____
1806 FSL 9 FEL 460 FSL 50 FEL
Sec: 8 Twp: 3N Rng: 66W Sec: 17 Twp: 3N Rng: 66W

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: 278 ft

18. Distance to nearest property line: 250 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 50 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		480	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):
 See Attached Lease Descriptions. Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.
 25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 830

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	900	390	900	0
1ST	8+3/4	7	26	0	7,510	760	7,510	0
1ST LINER	6+1/8	4+1/2	11.6	6515	14,118			

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
 33. Comments No conductor casing will be used. Unit Configuration: SEC.8: E2SE; SEC. 9: W2SW, SEC. 16: W2W2, SEC.17:E2E2. 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: LAUREN KUCERA
 Title: REGULATORY ANALYST II Date: 5/17/2013 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: 6/25/2013

API NUMBER Permit Number: _____ Expiration Date: 6/24/2015
 05 123 37595 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.

- 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

<u>Att Doc Num</u>	<u>Name</u>
2114107	VARIANCE REQUEST
2482403	SURFACE CASING CHECK
400418248	FORM 2 SUBMITTED
400418274	30 DAY NOTICE LETTER
400418275	DEVIATED DRILLING PLAN
400418276	WELL LOCATION PLAT
400418278	SURFACE AGRMT/SURETY
400418282	OTHER
400418308	DIRECTIONAL DATA
400419978	OFFSET WELL EVALUATION
400420738	LEGAL/LEASE DESCRIPTION
400420739	PROPOSED SPACING UNIT

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received and attached Variance Request letter. Ready to pass pending public comment.	3/7/2013 2:24:06 PM
Permit	Distance to nearest well completed in the same formation is 50'. Corrected distance to unit boundary in comment to 460'. Requested Variance Request for three wells closer than 150'.	3/3/2013 9:46:28 AM
Engineer	Evaluated offset wells for adequate isolation.	5/24/2013 11:14:35 AM
Permit	This form has passed completeness.	5/20/2013 3:41:20 PM
Permit	Returned to draft for the following: Mineral lease description attachment and Proposed Spacing unit for another well.	5/20/2013 9:14:55 AM

Total: 5 comment(s)

BMP

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

Total: 2 comment(s)