

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:

400460383

Date Received:

07/31/2013

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

PluggingBond SuretyID

20010124

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: Laura Abrams Phone: (720)929-6356 Fax: (720)929-7356

Email: laura.abrams@anadarko.com

7. Well Name: SATER Well Number: 25C-5HZ

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

9. Proposed Total Measured Depth: 12771

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 8 Twp: 2N Rng: 67W Meridian: 6

Latitude: 40.153928 Longitude: -104.913265

Footage at Surface: 2306 feet FNL 2433 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4913 13. County: WELD

14. GPS Data:

Date of Measurement: 06/17/2013 PDOP Reading: 1.8 Instrument Operator's Name: Alan Hnizdo

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  
2180 FNL 2350 FEL 2640 FNL 2350 FEL  
Sec: 8 Twp: 2N Rng: 67W Sec: 5 Twp: 2N 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: 1060 ft

18. Distance to nearest property line: 1060 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 204 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		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):  
 See attached lease description(s). 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: 160

**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	1000	380	1000	0
1ST	8+3/4	7	26.0	0	7786	820	7786	0
1ST LINER	6+1/8	4+1/2	11.6	6738	12771			

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

33. Comments    No conductor casing will be used. Unit Configuration: 2N67W Sec 5: SE/4NW/4, SW/4NE/4, E/2SW/4, W/2SE/4; Sec. 8: E/2NW/4, W/2NE/4./The surface location of this well is an exception to Rule 318A.a and to Rule 318A.c. This well is not within the GWA surface location window and does not meet the twinning requirement due to the number of wells planned for this area and at the request of the surface owner. An exception location request letter and signed waivers are attached to the Form 2 and Form 2A./Operator will run open hole logs into the surface casing on the first well drilled on this pad.

34. Location ID: 417800

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: Laura Abrams

Title: Regulatory Analyst II                      Date: 7/31/2013                      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: 10/17/2013

API NUMBER    Permit Number: \_\_\_\_\_                      Expiration Date: 10/16/2015

**API NUMBER**  
 05 123 38326 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.**

**Description**

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

1) Provide 48 hour notice of MIRU via an electronic Form 42.

2) Comply with Rule 317.i and provide cement coverage from the 7" casing TD to a minimum of 200' above the Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with a cement bond log.

3) Operator acknowledges the proximity of the Sheley 13-4 (API# 123-20384), Sheley 14-4 (API #123-19565), Townsend 43-5 (API #123-20514), Townsend 44-5 (API #123-20215), McCoy 24-5 (API #123-21359), HSR-Rhoades 8-5A (API #123-19724), and McCoy 23-5 (API #123-21357) wells. Operator agrees to: provide mitigation option 1, 2 or 3 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this 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**

<b>Att Doc Num</b>	<b>Name</b>
1695852	PROPOSED SPACING UNIT
400460383	FORM 2 SUBMITTED
400460708	OTHER
400460712	OFFSET WELL EVALUATION
400460720	LEGAL/LEASE DESCRIPTION
400460723	DEVIATED DRILLING PLAN
400460724	PLAT
400460729	EXCEPTION LOC WAIVERS
400460730	EXCEPTION LOC REQUEST
400460732	30 DAY NOTICE LETTER
400460733	SURFACE AGRMT/SURETY
400460735	DIRECTIONAL DATA

Total Attach: 12 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	10/16/2013 3:48:40 PM
Engineer	Evaluated offset wells for adequate coverage.  The existing surface casing check on file is still valid and the proposed surface casing setting depth is adequate. See document number 1770398.	10/15/2013 3:04:33 PM
Permit	Received and attached corrected 30 day cert letter. Corrected distance to nearest building, road, RR or Utility and property line from 2413' to 1060'. ok to pass.	9/5/2013 9:06:09 AM
Permit	ON HOLD: requesting corrected 30 day certification letter, corrected distance to nearest building, road, RR or Utility and property line.	8/30/2013 10:25:04 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.	8/30/2013 10:25:03 AM
Permit	Operator's request for omission of open hole logs.	8/30/2013 10:25:02 AM
Permit	Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	8/30/2013 10:25:01 AM
Permit	Form passes completeness.	8/1/2013 11:15:43 AM

Total: 8 comment(s)

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	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.
2	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)