

FORM

2

Rev
08/13

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:

400502897

APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate

Date Received:

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____Refilling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☒

Well Name: BUTTERBALL

Well Number: 4N-10HZX

Name of Operator: KERR-MCGEE OIL & GAS ONSHORE LP

COGCC Operator Number: 47120

Address: P O BOX 173779

City: DENVER

State: CO

Zip: 80217-3779

Contact Name: Cheryl Light

Phone: (720)929-6461

Fax: (720)929-7461

Email: cheryl.light@anadarko.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010124

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 10 Twp: 2N Rng: 67W Meridian: 6

Latitude: 40.146702

Longitude: -104.884049

Footage at Surface: 448 feet FNL/FSL FSL 529 feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4996

County: WELD

GPS Data:

Date of Measurement: 05/15/2013 PDOP Reading: 1.2 Instrument Operator's Name: ROB WILSON

If well is ☐ Directional ☒ Horizontal (highly deviated) submit deviated drilling plan.
 Footage at Top of Prod Zone: FNL/FSL FSL 1013 FWL 460 FNL 1006 FWL
 Sec: 10 Twp: 2N Rng: 67W Sec: 10 Twp: 2N Rng: 67W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe Surface Owner is: ☐ is the mineral owner beneath the location.

(check all that apply)

☐ is committed to an Oil and Gas Lease.☐ has signed the Oil and Gas Lease.☐ is the applicant.The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place:

Surface Surety ID:

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

SEE ATTACHED LEASE DESCRIPTION

Total Acres in Described Lease: 1080 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 460 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 169 Feet

Building Unit: 169 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 451 Feet

Above Ground Utility: 479 Feet

Railroad: 5280 Feet

Property Line: 461 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone
☐ Exception Zone
☐ Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 73 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Unit Configuration: W/2

OBJECTIVE FORMATIONS

| 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 |

DRILLING PROGRAM

Proposed Total Measured Depth: 12004 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: _____ Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☒ Annular Preventor ☐ Double Ram ☒ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Land application

Cuttings Disposal: Cuttings Disposal Method:

Other Disposal Description:

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: or Document Number:

CASING PROGRAM

| 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 | 1048 | 380 | 1048 | 0 |
| 1ST | 8+3/4 | 7+0/0 | 26 | 0 | 7766 | 810 | 7766 | 0 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6970 | 12004 | | | |

☒ Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number

OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318.c. Exception Location from Rule or Spacing Order Number
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

| | |
|----------|---|
| Comments | <p>UNPLANNED SIDETRACK - VERBAL GIVEN BY DIANA BURN ON 10/25/2013</p> <p>After TD'ing the 8.75" intermediate section of the aforementioned well, a wiper trip to the KOP was performed. After pulling through the Sharon Springs was very tight, it was decided to go back to bottom and circulate and condition the hole for 7" casing. We attempted to get back to bottom but were unsuccessful. The decision was made to come out and adjust the BHA to a smaller degree of motor so we could rotate faster to ream back to bottom. After adjusting our BHA we still couldn't get past 7410' MD. This is ~55 deg in the curve right in the middle of the Sharon Springs. After getting stuck and free multiple times it was decided to plug this curve back 300' above KOP and attempt to kick off a sidetrack curve section.</p> <p>The plan forward will be to plug the curve section back 635' from 7,200' MD to 6,565' MD bringing the TOC 300' above the original KOP. We will re-drill the curve as planned with a different azimuth to drill parallel to the old curve section. There is no fish in the hole, we will be setting a cement plug in 8.75" open hole using 700' of 2 7/8" tubing ran on 4" drill pipe.</p> <p>The updated well plan with the BHL is attached. We will be moving the well 100' to the east due to anti-collision and 65' lower in TVD depth. The target objective will change from a Niobrara B to a Niobrara C. This was done to minimize our angle we are cutting the Sharon Springs at, thereby reducing our chance at having to sidetrack another curve. Let me know if you have any additional questions.</p> <p>Well Information: API#: 0512337865 Hole Size: 8.75" Depth: 7,766' MD 7,381' TVD (Projected from last survey)</p> <p>Casing: 9-5/8" 36#, J-55, LTC @ 1,048' MD</p> <p>Plug #1 635' plug set @ 7,200' – 6,565' MD 17.5 ppg Class G, 0.94 cuft/sk 25% Excess 60 Bbls / 358 sacks of cement</p> <p>Sidetrack KOP: 6,970'</p> |
|----------|---|

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 305488

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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: _____ Email: DJREGULATORY@ANADARK

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: _____ Director of COGCC Date: _____

Expiration Date: _____

| |
|---|
| <p>API NUMBER</p> <p>05 123 37865 01</p> |
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Conditions Of Approval

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.

| COA Type | Description |
|----------|-------------|
| | |

Best Management Practices

No BMP/COA Type

Description

| | | |
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Attachment Check List

Att Doc Num

Name

| | |
|-----------|------------------------|
| 400502900 | WELLBORE DIAGRAM |
| 400502901 | DEVIATED DRILLING PLAN |
| 400502903 | DIRECTIONAL DATA |
| 400502907 | PLAT |
| 400502921 | OTHER |

Total Attach: 5 Files

General Comments

User Group

Comment

Comment Date

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Total: 0 comment(s)