

APPLICATION FOR PERMIT TO:

Drill
 Deepen
 Re-enter
 Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER <u>RE-Plug</u>	Refiling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
11/15/2013

Well Name: <u>Anderson</u>	Well Number: <u>1</u>
Name of Operator: <u>PDC ENERGY INC</u>	COGCC Operator Number: <u>69175</u>
Address: <u>1775 SHERMAN STREET - STE 3000</u>	
City: <u>DENVER</u>	State: <u>CO</u>
Zip: <u>80203</u>	
Contact Name: <u>Jenifer Hakkarinen</u>	Phone: <u>(303)8605800</u>
	Fax: <u>(303)8605838</u>
Email: <u>JEnifer.Hakkarinen@pdce.com</u>	

RECLAMATION FINANCIAL ASSURANCE
 Plugging and Abandonment Bond Surety ID: 20090078

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 6 Twp: 6N Rng: 65W Meridian: 6
 Latitude: 40.511713 Longitude: -104.699020

Footage at Surface: 720 feet FNL/FSL FSL 600 feet FEL/FWL FEL

Field Name: _____ Field Number: _____
 Ground Elevation: 4783 County: WELD

GPS Data:
 Date of Measurement: 11/15/2013 PDOP Reading: 6.0 Instrument Operator's Name: COGCC

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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The 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: _____

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.)

Total Acres in Described Lease: _____ 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: _____ Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 702 Feet
 Building Unit: 702 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 606 Feet
 Above Ground Utility: 285 Feet
 Railroad: 285 Feet
 Property Line: 660 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: _____ Feet

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

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

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL			

DRILLING PROGRAM

Proposed Total Measured Depth: 7270 Feet

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

Will a closed-loop drilling system be used? _____

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? _____ (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? _____

Will salt based (>15,000 ppm Cl) drilling fluids be used? _____

Will oil based drilling fluids be used? _____

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 N/A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: _____ Drilling Fluids Disposal Methods: _____

Cuttings Disposal: _____ Cuttings Disposal Method: _____

Other Disposal Description:

Beneficial reuse or land application plan submitted? _____

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	12+1/4	8+5/8	24	0	313	250	313	0
1ST	7+7/8	4+1/2	11	0	7261	213	7261	6397

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 305.d

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

PDC Energy intends to re-enter and re-plug this well in accordance with current COGCC standards. This borehole is on a current PDC lease that has a current surface use agreement. Re-plugging of this well is necessary to ensure well bore integrity during frac operations while developing this lease. Surface owner will be consulted prior to any operations.

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

Location ID: 407712

Is this application being submitted with an Oil and Gas Location Assessment application? No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Jenifer Hakkarinen

Title: Regulatory Tech Date: 11/15/2013 Email: Jenifer.Hakkarinen@pdce.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:  Director of COGCC Date: 11/29/2013

Expiration Date: 11/28/2015

API NUMBER 05 123 11545 00

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.

<u>COA Type</u>	<u>Description</u>
	Note changes to plugging procedure. 1) Provide 24 hour notice of MIRU to Jason Gomez at (970) 573-1277 or e-mail at jason.gomez@state.co.us 2) For 600' plug: pump plug and displace, shut-in, WOC 4 hours and tag plug – must be 213' or shallower. Leave at least 100' of cement in the wellbore for each plug. 3) Properly abandon flowlines as per Rule 1103.

Best Management Practices

<u>No BMP/COA Type</u>	<u>Description</u>

Data retrieval failed for the subreport 'IntPolicy_MTO' located at: \\DnrDenSterling\o5FarmReports\policy_nto.rdl. Please

Attachment Check List

Att Doc Num	Name
1695972	WELLBORE DIAGRAM
1695973	PROPOSED PLUGGING PROCEDURE
1695974	WELLBORE DIAGRAM
2114382	WAIVERS
2114383	SURFACE AGRMT/SURETY
2114385	VARIANCE REQUEST
400513767	FORM 2 SUBMITTED

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	<p>Plugging Procedure Codell Existing Perforations: Codell: 7156'-7166' Squeeze holes: 360' PBSD: 7261' 8 5/8" 24# @ 312' W/ 250 sks cmt. 4 1/2" 11.6# @ 7261' w/ 216 sks cmt Procedure: 1)MIRU Excavation crew 2)Locate and dig up old wellhead 3)Cut old casing and weld new casing stub to bring to surface, fill in hole 4)MIRU workover rig 5)RIH w/ bit, tag and drill through surface plug 6)Clean out to CIBP @ 6650' 7)MIRU Wireline and RIH w/ CBL to locate cement top 8)TIH to dump more cement on top of existing CIBP 9)Shoot squeeze holes above existing cement top and 500' above existing cement top 10)Set cement retainer 15' below top perms 11)TIH and circulate cement to fill up annulus and 200' of 4 1/2" casing 12)Shoot squeeze holes @ 4700' and 3700' 13)Set cement retainer @ 3750' 14)Pump cement to cover from 3700'-4700' in annulus and casing 15)Shoot squeeze holes @ 600' and just below existing surface plug 16)Set cement retainer below upper perms 17)TIH circulate cement to cover from 600' to 213' in annulus 18)Fill casing with cement from retainer to surface 19)Dump 10 sx at surface</p>	<p>11/25/2013 11:23:10 AM</p>
Permit	<p>Director approved Variance Request 11/20/12. Ready to pass.</p>	<p>11/21/2013 9:12:27 AM</p>
Permit	<p>Received waiver of 20 day comment period from LGD. Received redacted copy of SUA. Received Variance Request letter. Ready to pass when Director approves variance request.</p>	<p>11/20/2013 8:34:53 AM</p>
Permit	<p>Requesting waiver of 20 day comment period from LGD. SUA has a dollar amount. Asked for redacted copy.</p>	<p>11/18/2013 1:14:27 PM</p>
Permit	<p>Requesting 502.b Variance Request letter.</p>	<p>11/15/2013 3:11:51 PM</p>
Permit	<p>Returned to draft: Missing Plugging bond. Type of well should be N/A. Other should have RePlug. Surface owner is mineral owner should be unchecked. Right to construct should be SUA. Missing location ID#.</p>	<p>11/15/2013 2:36:51 PM</p>

Total: 6 comment(s)