

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

Date Received:
03/19/2014

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refilling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input checked="" type="checkbox"/>

Well Name: <u>NRC</u>	Well Number: <u>3C-4HZX</u>
Name of Operator: <u>KERR-MCGEE OIL & GAS ONSHORE LP</u>	COGCC Operator Number: <u>47120</u>
Address: <u>P O BOX 173779</u>	
City: <u>DENVER</u>	State: <u>CO</u>
	Zip: <u>80217-3779</u>
Contact Name: <u>Cheryl Light</u>	Phone: <u>(720)929-6461</u>
	Fax: <u>(720)929-7461</u>
Email: <u>cheryl.light@anadarko.com</u>	

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010124

WELL LOCATION INFORMATION

QtrQtr: SESW Sec: 9 Twp: 1N Rng: 67W Meridian: 6

Latitude: 40.059228 Longitude: -104.898020

Footage at Surface:	<u>350</u> feet	FNL/FSL	<u>FSL</u>	<u>1980</u> feet	FEL/FWL	<u>FWL</u>
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Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 5052 County: WELD

GPS Data:

Date of Measurement: 04/22/2013 PDOP Reading: 1.5 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	FEL/FWL	Bottom Hole:	FNL/FSL	FEL/FWL
<u>843</u>	<u>FSL</u>	<u>2282</u>	<u>460</u>	<u>FNL</u>	<u>2290</u>
Sec: <u>9</u>	Twp: <u>1N</u>	Rng: <u>67W</u>	Sec: <u>4</u>	Twp: <u>1N</u>	Rng: <u>67W</u>

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: 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.)

Please see attached lease description.

Total Acres in Described Lease: 2217 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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1964 Feet
 Building Unit: 1964 Feet
 High Occupancy Building Unit: 3523 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 344 Feet
 Above Ground Utility: 3280 Feet
 Railroad: 5280 Feet
 Property Line: 350 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: 164 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: 1N67W4: E2W2, W2E2; 9: E2W2, W2E2

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		640	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 17394 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 164 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: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Please see Comments section. Disposal description will not fit in space provided.

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	1082	410	1082	0
1ST	8+3/4	7+0/0	26	0	8020	860	8020	0
1ST LINER	6+1/8	4+1/2	11.6	6408	17394			

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 UNPLANNED SIDETRACK - VERBAL GIVEN BY DIANA BURN 03/19/14

We will be requesting side track approval on the NRC 3C-4HZ. We have lost the head of our drill bit in the lateral and will attempt an open hole sidetrack. The drill bit is unfishable and we will not make an attempt to fish it. Please see below well specific information. Also attached is a schematic of the hole. I am currently waiting on a well planner and will create a side track plan for the sundry and will work with our regulatory team to submit the sundry request to you in a timely fashion. I am sending this email and will call your cell phone and leave a message. Please call or email me this morning when you have a chance to review the request.

NRC 3C-4HZ API 0512338607
 Lost 6 1/8" bit head in lateral, unable to fish
 TD of lateral is 14386' MD 7737' TVD
 9 5/8" surface casing set at 1082' MD
 7" INTERMEDIATE set at 8020' MD 7716' TVD
 Fish is 6 1/8" steel body bit head. Bottom is at 14386' and top is at 14385'
 This will be an OPEN HOLE SIDETRACK
 Attempted sidetrack will be at 13763' MD 7737' TVD. We will attempt to sidetrack down and to the right from original open hole.
 Original APD was in Codell and side track will be in Codell
 BHL will be 2290' FWL 460' FNL section 4 1N67W. This is sidetrack planned bottom hole and original plat bottom hole as well

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

Location ID: 432052

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: CHERYL LIGHT

Title: SR. REGULATORY ANALYST Date: 3/19/2014 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: 3/19/2014

Expiration Date: 03/18/2016

API NUMBER
05 123 38607 01

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>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	General Housekeeping	SEE ORIGINAL APD FOR BMPS

Total: 1 comment(s)

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>
1696126	WELLBORE DIAGRAM
400574195	FORM 2 SUBMITTED
400574221	WELL LOCATION PLAT
400574227	DIRECTIONAL DATA
400574639	DEVIATED DRILLING PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Unplanned Sidetrack for 123-38607-00 NRC 3C-4HZ.	3/19/2014 3:41:59 PM
Permit	This form has passed completeness.	3/19/2014 2:52:19 PM

Total: 2 comment(s)