

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:

400605736

Date Received:

06/09/2014

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Tarin

Well Number: 32X-204

Name of Operator: PDC ENERGY INC

COGCC Operator Number: 69175

Address: 1775 SHERMAN STREET - STE 3000

City: DENVER State: CO Zip: 80203

Contact Name: Liz Lindow

Phone: (303)831-3974

Fax: ()

Email: liz.lindow@pdce.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090078

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 32 Twp: 4N Rng: 66W Meridian: 6

Latitude: 40.263480

Longitude: -104.793170

Footage at Surface: 943 feet FNL/FSL FSL 355 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4775

County: WELD

GPS Data:

Date of Measurement: 12/19/2013 PDOP Reading: 2.9 Instrument Operator's Name: Brian Rottinghaus

If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1194 FSL 816 FEL 1231 FSL 2147 FEL 1231
Sec: 32 Twp: 4N Rng: 66W Sec: 31 Twp: 4N Rng: 66W

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: oil and gas lease

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.)

Township 4 North, Range 66 West, 6th P.M. Section 32: S/2SE/4 lying South and East of the Union Pacific Railroad right-of-way

Total Acres in Described Lease: 52 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: 487 Feet
Building Unit: 610 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 351 Feet
Above Ground Utility: 589 Feet
Railroad: 774 Feet
Property Line: 355 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: 03/14/2014

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 175 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 500 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

SEC. 32: S2; SEC. 31: SE in T4N R66W

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		480	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 14159 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 99 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: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Drill cuttings will be land applied at PDC spread fields with COGCC Facility ID 425112, 429629, 430649, 431183, or 434889.

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	12+1/4	9+5/8	36	0	875	830	875	0
1ST	8+3/4	7	26	0	7531	650	7531	500
1ST LINER	6+1/8	4+1/2	13.5	6329	14159			

☒ 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 7" casing string will be cemented to at least 200' above Niobrara, around 500' from surface. CBL will only be run in the vertical section of the wellbore. Distance to nearest P&A'd well UPRR 41 Pan AM J 1 and permitted well Nicholas 5 measured to via the Anti-Collision Report in the Deviated Drilling plan. Building Unit owners waived requirements per Rules 305.a., 305.c., 306.e, 604.c.(2).A-W., and the MIRU policy. Letter to Director and Waivers attached.

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

Location ID: _____

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: Liz Lindow

Title: Regulatory Analyst Date: 6/9/2014 Email: liz.lindow@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: 8/31/2014

Expiration Date: 08/30/2016

API NUMBER

05 123 40098 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.

COA Type

Description

	<p>Operator acknowledges the proximity of the listed non-operated wells: Operator agrees to: provide mitigation option 1 or 2 (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 ("OFFSET MITIGATION COMPLETED") for the remediated Tarin Well Pad wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>HSR-GOLDSMITH 11-31 (API NO 123-16696)HSR-JENKINS #14-31 (API NO 123-16697) AGRI PROD 32-7F (API NO 12315577)AGRI PROD INC FED 32-8F (API NO 123-15578) SARATOGA 1 (API NO 123-08553)TANNER K 33-65HN (API NO 123-33702)</p>
	<p>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.</p>
	<p>Operator acknowledges the proximity of the listed wells: Operator agrees to: provide mitigation option 1 or 2 (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 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>FARR-FARMS (API NO 123-12165)WOLF 44-31 (API NO 123-14464) BENJAMIN 1 (API NO 123-20329)NICHOLAS 1 (API NO 123-20331) NICHOLAS 5 (API NO 123-25922)BENJAMIN 5 (API NO 123-26274) FLOYD 1 (API NO 123-12715)WOLFE 1 (API NO 123-13677) GLEN 1 (API NO 123-13678)WOLFE 13-32 (API NO 123-14422) WOLFE 14-32 (API NO 123-14484)GLEN 44-32 (API NO 123-14490) WOLFE 5 (API NO 123-22826)</p>

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	<p>Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. The Colorado Oil and Gas Conservation Commission (COGCC) has established this Policy Regarding Bradenhead Monitoring During Hydraulic Fracturing Treatments ("Treatment") in the Greater Wattenberg Area ("GWA") pursuant to COGCC 207.a. ("Policy"). This Policy applies to oil and gas operations in the GWA as defined by the COGCC Rules of Practice and Procedure.</p>
---	--------------------------------	---

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>
1696272	EXCEPTION LOC WAIVERS
400605736	FORM 2 SUBMITTED
400616177	OffsetWellEvaluations Data
400616179	OPEN HOLE LOGGING EXCEPTION
400616180	30 DAY NOTICE LETTER
400616184	WAIVERS
400616185	EXCEPTION LOC REQUEST
400616187	WELL LOCATION PLAT
400616189	PROPOSED SPACING UNIT
400620011	DEVIATED DRILLING PLAN
400623092	DIRECTIONAL DATA

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	8/26/2014 11:50:58 AM
Permit	Building Unit owners waived requirements per Rules 305.a., 305.c., 306.e, 604.c. (2).A-W., and the MIRU policy. Letter to Director and Waivers attached.	8/26/2014 11:50:57 AM
Permit	Per operator changed Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in same formation to 175' and Distance to nearest permitted or existing wellbore penetrating object formation to 99. Removed the Rule 318A.m Anti-Collision waiver letter.	8/26/2014 11:50:56 AM
Permit	ON HOLD: Requesting correction of Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in same formation and Distance to nearest permitted or existing wellbore penetrating object formation. Request a corrected Rule 318A.m Anti-Collision waiver letter.	8/11/2014 10:24:30 AM
Permit	Received and attached Waivers with Tarim 32X-204 in the subject.	7/16/2014 2:28:31 PM
Permit	ON HOLD: requesting corrected Waivers. The Tarim 32X-204 is not in the subject.	7/7/2014 10:58:27 AM
Permit	The Certification of Compliance with Rule 305.a is under waivers.	7/7/2014 10:35:11 AM
Permit	Request for Exception to Open Hole Logging Rule 317.o letter attached.	7/7/2014 10:27:12 AM
Permit	Operator has waiver for: Operator shall comply with Buffer Zone Move-In, Rig-Up Notice Policy dated 12-16-2013.	7/7/2014 10:20:58 AM
Engineer	Offset Wells Evaluated.	6/16/2014 11:21:37 AM
Permit	Passed completeness. Distance corrected and within buffer zone, not an exception zone.	6/12/2014 8:24:47 AM
Permit	Return to draft. Distance to building unit is greater than 5280 ft and exception zone is checked.	6/10/2014 11:46:03 AM

Total: 12 comment(s)