

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

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"/>

Date Received:
06/03/2015

Well Name: VIPER PYRO Well Number: 39N2-10HZX

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: Ronett Powers Phone: (720)929-6759 Fax: (720)929-7759

Email: ronett.powers@anadarko.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20010124

WELL LOCATION INFORMATION

QtrQtr: NWNW Sec: 15 Twp: 3N Rng: 67W Meridian: 6

Latitude: 40.231238 Longitude: -104.885300

Footage at Surface: FNL/FSL FEL/FWL
620 feet FNL 265 feet FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4794 County: WELD

GPS Data:
Date of Measurement: 09/03/2014 PDOP Reading: 2.1 Instrument Operator's Name: BART PFEIFER

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>1053</u>	FSL <u>92</u>	FWL	<u>1140</u>	FSL <u>1</u>	FEL
Sec: <u>10</u>	Twp: <u>3N</u>	Rng: <u>67W</u>	Sec: <u>10</u>	Twp: <u>3N</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: No

The right to construct the Oil and Gas Location is granted by: applicant is owner

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 3 NORTH, RANGE 67 WEST, 6TH P.M.
SECTION 2: W2W2
SECTION 3: NESW, THAT PART OF NW LYING SOUTH OF THE NORTH BANK OF THE ST. VRAIN RIVER
SECTION 4: SESE
SECTION 9: ALL
SECTION 10: ALL
SECTION 11: W2NE, E2NW, NESW, SE4

TOWNSHIP 4 NORTH, RANGE 67 WEST, 6TH P.M.
SECTION 34: NE4 EAST OF UPRR ROW EXCEPT SENE; SE4 EXCEPT THAT PORTION LYING NORTH OF ST. VRAIN RIVER
SECTION 35: SWSW
WELD COUNTY, COLORADO
CONTAINING 2508 ACRES

Total Acres in Described Lease: 2508 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: 1 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 474 Feet
Building Unit: 1983 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 260 Feet
Above Ground Utility: 592 Feet
Railroad: 1442 Feet
Property Line: 265 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: 84 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 660 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

UNIT CONFIGURATION: 3N-67W-SEC 9: E2SE; SEC 10: S2; SEC 11: W2SW

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: 12824 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 84 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? Yes

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 for 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	744	290	744	0
1ST	8+3/4	7	26	0	7717	840	7717	0
1ST LINER	6+1/8	4+1/2	11.6	6708	12824	400	12824	6808

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 APPROVAL GIVEN BY MARK SCHLAGENHAUF 6/2/15 (see attached)

Total Measured Depth Reached

- 384 ft MD
- 383 ft TVD

Casing Sizes set and MD

- 16" conductor casing set at 60 ft

Description of fish

- Not applicable

Type of cement

- Weight: 15.8 ppg
- Yield: 1.15 ft³/sk
- Sacks: 307

Measured Depth and TVD of sidetrack point

- 61 ft MD
- 61 ft TVD

Proposed target formation of sidetrack hole if different than permitted

- Same as permit
- BHL of sidetrack hole
- Same as permit

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

Location ID: 332560

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: Ronett Powers

Title: Regulatory Analyst II Date: 6/3/2015 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:  Director of COGCC Date: 6/10/2015

Expiration Date: 06/09/2017

API NUMBER

05 123 41430 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>
	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Comply with Rule 317.j and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
	Operator acknowledges the proximity of the listed wells. Operator agrees to provide mitigation Option 1 or 2 (per the DJ Basin Horizontal Offset Policy), ensure all applicable documentation is submitted , and submit a Form 42(s) ("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. PSC 16-9X (API 123-21553) State of Colorado AM 3 (API 123-14991) Mayer 22-15 (API 123-24686)

Best Management Practices

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

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>
400848274	FORM 2 SUBMITTED
400848437	DIRECTIONAL DATA
400848438	DEVIATED DRILLING PLAN
400848439	WELL LOCATION PLAT
400848441	CORRESPONDENCE
400848444	WELLBORE DIAGRAM

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	3/9/2015 2:32:23 PM
Permit	Per operator corrected surface/mineral owner info. Lease description, Total Acres & Cultural setbacks. Changed TD and PSU description. Permitting Review Complete.	3/9/2015 8:58:58 AM
Engineer	Offset wells evaluated.	6/5/2015 10:59:56 AM
Permit	This form has passed completeness.	3/5/2015 9:45:26 AM

Total: 4 comment(s)