

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:
401013574
(SUBMITTED)

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: WAGNER Well Number: 28N-W10HZ
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: ()
Email: CHERYL.LIGHT@ANADARKO.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010124

WELL LOCATION INFORMATION

QtrQtr: SWNE Sec: 22 Twp: 1N Rng: 67W Meridian: 6
Latitude: 40.039097 Longitude: -104.873060
Footage at Surface: 1722 feet FNL/FSL FNL 1619 feet FEL/FWL FEL
Field Name: WATTENBERG Field Number: 90750
Ground Elevation: 4973 County: WELD
GPS Data:
Date of Measurement: 09/14/2015 PDOP Reading: 1.3 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 FNL 1706 FNL 2572 FEL Bottom Hole: FNL/FSL FSL 800 FEL/FWL FEL 2535 FEL
Sec: 22 Twp: 1N Rng: 67W Sec: 10 Twp: 1N Rng: 67W

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 1 North, Range 67 West, 6th P.M.
Section 22: S/2NE/4, N/2N/2SE/4
Section 31: Lot 2, E/2SW/4, SE/4 (S/2)
Weld County, Colorado
Township 1 South, Range 67 West, 6th P.M.
Section 6: NE/4
Adams County, Colorado

Total Acres in Described Lease: 600 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: 898 Feet
Building Unit: 1401 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1626 Feet
Above Ground Utility: 1602 Feet
Railroad: 5280 Feet
Property Line: 403 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 130 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 521 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

1N-67W Sec. 10: SWSE, SESW; Sec. 15: W2E2, E2W2; Sec. 22: W2NE, E2NW

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 | | 560 | GWA |

DRILLING PROGRAM

Proposed Total Measured Depth: 15765 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

528 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. 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 | 1800 | 710 | 1800 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 17 | 0 | 15755 | 1861 | 15755 | |

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

Cuttings disposal: If the surface owner authorizes, and if it is feasible for this location at the time of drilling, water-based cuttings will be disposed of onsite using bioremediation/solidification product. If the surface owner does not authorize onsite disposal and/or it is not feasible for this location at the time of drilling, water-based cuttings will be disposed of using a Centralized E&P Waste Management facility or a private spread field. Oil-based cuttings will be disposed of offsite and at a licensed, commercial disposal site.

Drilling fluids disposal: KMG will reuse water-based drilling fluids to the maximum extent possible, at which point they will either be land applied or taken to a licensed, commercial disposal site; the decision will be based upon laboratory analysis of fluids. KMG will reuse oil-based drilling fluids to the maximum extent possible, at which point they will be returned to the fluids manufacturer for reconditioning or disposal at a licensed, commercial disposal site.

The following well(s) belong to Kerr-McGee and will have treated intervals within one hundred fifty (150) feet of this proposed well: Wagner Red VV 22-7

The right to construct this Oil and Gas Location is granted by an oil and gas lease and an executed Surface Use Agreement has been attached only as a matter of record.

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

Location ID: 328953

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: _____

API NUMBER

05

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

| <u>COA Type</u> | <u>Description</u> |
|-----------------|--------------------|
| | |

Best Management Practices

| No | BMP/COA Type | Description |
|-----------|--------------------------------|--|
| 1 | Planning | The nearest building unit is located 1321' away from this oil and gas location, therefore it is not within a Designated Setback Location and is exempt from 604.c. |
| 2 | Drilling/Completion Operations | Kerr-McGee acknowledges and will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. |
| 3 | Drilling/Completion Operations | Anti-Collision: Kerr-McGee will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within one hundred fifty (150) feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators within one hundred fifty (150) feet prior to drilling. |
| 4 | Drilling/Completion Operations | 317.p Logging Program: One of the first wells drilled on the pad will be logged with Cased-hole Pulsed Neutron Log with Gamma Ray Log from TD into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run in that well and have those logs attached. The Form 5 for each well shall clearly state "No open-hole logs were run" and shall reference the Rule 317.p Exception granted for the well. |

Total: 4 comment(s)

Attachment Check List

| Att Doc Num | Name |
|--------------------|-----------------------------|
| 401027872 | WELL LOCATION PLAT |
| 401027874 | PROPOSED SPACING UNIT |
| 401027877 | EXCEPTION LOC REQUEST |
| 401027878 | EXCEPTION LOC WAIVERS |
| 401027880 | DEVIATED DRILLING PLAN |
| 401027882 | DIRECTIONAL DATA |
| 401027883 | SURFACE AGRMT/SURETY |
| 401027884 | LEASE MAP |
| 401031354 | OPEN HOLE LOGGING EXCEPTION |
| 401034892 | OffsetWellEvaluations Data |

Total Attach: 10 Files

General Comments

| User Group | Comment | Comment Date |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)