

FORM  
2  
Rev  
08/16

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:  
401203286

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_  
ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refiling   
Sidetrack

Date Received:  
02/14/2017

Well Name: RW      Well Number: 34N-32HZ  
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: SHAYELYN MARSHALL      Phone: (720)929 6907      Fax: (720)929 7907  
Email: SHAYELYN.MARSHALL@ANADARKO.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010124

WELL LOCATION INFORMATION

QtrQtr: SESW      Sec: 29      Twp: 3N      Rng: 65W      Meridian: 6  
Latitude: 40.190392      Longitude: -104.690787

Footage at Surface: 441 Feet      FNL/FSL FSL 1659 Feet      FEL/FWL FWL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 4888      County: WELD

GPS Data:  
Date of Measurement: 12/01/2016    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 FSL 246 FWL      Bottom Hole: FNL/FSL FSL 178 FWL  
173      FSL      246      FWL      55      FSL      178      FWL  
Sec: 29    Twp: 3N    Rng: 65W      Sec: 32    Twp: 3N    Rng: 65W

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.)

Township 3 North, Range 65 West, 6th P.M.  
Section 7: Lot 1, 2, 3, 4, E2W2, SE  
Section 17: NW, S2  
Section 19: SE, S2NE  
Section 21: NW, S2  
Section 29: NW, S2  
Township 3 North, Range 66 West, 6th P.M.  
Section 13: NW, S2  
Section 15: NW, S2  
Section 23: NW, S2  
Section 25: NW, S2  
Section 27: NW, S2  
Section 29: SE, SWNE  
Section 33: NW, S2  
Section 35: NW, S2  
Weld County, Colorado

Total Acres in Described Lease: 5720 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: 1171 Feet  
Building Unit: 1688 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 433 Feet  
Above Ground Utility: 409 Feet  
Railroad: 5280 Feet  
Property Line: 441 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: 119 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1136 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

PROPOSED SPACING UNIT:  
 03N65W Sec 29: SWSW  
 03N65W Sec 30: SESE  
 03N65W Sec 32: W2W2  
 03N65W Sec 31: E2E2  
 02N65W Sec 5: NWNW  
 02N65W Sec 6: NENE

**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: 13127 Feet  
 Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:  
 Enter distance if less than or equal to 1,500 feet: 793 Feet  No well belonging to another operator within 1,500 feet  
 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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR   | 26           | 16             | 42.1  | 0             | 40            | 30        | 40      | 0       |
| SURF        | 13+1/2       | 9+5/8          | 36    | 0             | 1500          | 590       | 1500    | 0       |
| 1ST         | 7+7/8        | 5+1/2          | 17    | 0             | 13117         | 1538      | 13117   |         |

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

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.

Cuttings disposal: Water-based cuttings will be disposed of using a Centralized E&P Waste Management facility or a private spread field, depending on what is feasible at the time of drilling. Oil-based cuttings will be disposed of offsite and 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:  
MCGUCKIN H 32-32  
MCGUCKIN H 32-31

The following well(s) are not within 150' of KMG's proposed well, however may appear to be less than 150' in 2D view:  
WARDELL 4N-29HZ - ~2700 VT FT  
WARDELL 29N-29HZ - ~4400 VT FT  
MCGUCKIN X 05-69HN - ~4600 VT FT

This application is in a Comprehensive Drilling Plan No 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: SHAYELYN MARSHALL

Title: REGULATORY ANALYST Date: 2/14/2017 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: 4/17/2017

Expiration Date: 04/16/2019

**API NUMBER**

05 123 44618 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 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") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>05-123-16101, HSR-EGGLER 14-29<br/>05-123-16875, HSR-RANIN 13-29<br/>05-123-16880, HSR-PANTALEO 10-29A<br/>05-123-16881, HSR-PETERSON 12-29<br/>05-123-19166, HSR-EGGLER 11-29<br/>05-123-19167, HSR-AUGUST 15-29<br/>05-123-15879, HSR-MULBERG 16-30<br/>05-123-16071, HSR-CASTLEMAN 2-31<br/>05-123-17072, HSR-TOO DEVINE 1-31<br/>05-123-17095, MCGUCKIN H 32-2J<br/>05-123-17110, MCGUCKIN H 32-6<br/>05-123-17111, MCGUCKIN H 32-5<br/>05-123-17423, MCGUCKIN H 32-3</p> |
|  | <p>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad.<br/>2) Comply with Rule 317.j. and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Sussex to 200' above Sussex. Verify coverage with cement bond log.</p>   |
|  | <p>Bradenhead tests shall be performed according to the following schedule and the Form 17 submitted within 10 days of each test:</p> <p>1) Within 60 days of rig release and prior to stimulation and<br/>2) If a delayed completion, 6 months after rig release and prior to stimulation.<br/>3) Within 30 days after first production, as reported on Form 5A.</p>  |

## Best Management Practices

| No | <u>BMP/COA Type</u>            | <u>Description</u>  |
|----|--------------------------------|---|
| 1  | 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.   |
| 2  | 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.   |
| 3  | 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 the kick-off point 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: 3 comment(s)

### Applicable Policies and Notices to Operators

|  |
|--|
| Policy   |
| Notice Concerning Operating Requirements for Wildlife Protection.<br><a href="http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf">http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf</a>   |
| Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.<br><a href="http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf">http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf</a> |

### Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u>                 |
|--------------------|-----------------------------|
| 401203286          | FORM 2 SUBMITTED            |
| 401205594          | WELL LOCATION PLAT          |
| 401205599          | DIRECTIONAL DATA            |
| 401205605          | PROPOSED SPACING UNIT       |
| 401205606          | SURFACE AGRMT/SURETY        |
| 401205607          | EXCEPTION LOC REQUEST       |
| 401205609          | EXCEPTION LOC WAIVERS       |
| 401207899          | OPEN HOLE LOGGING EXCEPTION |
| 401208229          | DEVIATED DRILLING PLAN      |
| 401261170          | OFFSET WELL EVALUATION      |

Total Attach: 10 Files

### General Comments

| <u>User Group</u> | <u>Comment</u>  | <u>Comment Date</u> |
|-------------------|---|---------------------|
| Permit            | Final Review Completed.   | 04/13/2017          |
| Permit            | Operator requested Exception to Open Hole Logging Rule 317.p. See attached. Permitting Review Complete. | 04/13/2017          |
| Permit            | Passes completeness.  | 02/20/2017          |

Total: 3 comment(s)