

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL GAS COALBED OTHER Unplanned Refiling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Date Received:
01/25/2019

Well Name: Challenger Well Number: 1N

Name of Operator: PDC ENERGY INC COGCC Operator Number: 69175

Address: 1775 SHERMAN STREET - STE 3000

City: DENVER State: CO Zip: 80203

Contact Name: Ally Ota Phone: (303)860-5800 Fax: ()

Email: alexandria.ota@pdce.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20160047

WELL LOCATION INFORMATION

QtrQtr: SENW Sec: 8 Twp: 4N Rng: 64W Meridian: 6

Latitude: 40.330480 Longitude: -104.575230

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

1328 Feet FNL 2431 Feet FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4774 County: WELD

GPS Data:

Date of Measurement: 03/13/2017 PDOP Reading: 2.2 Instrument Operator's Name: Scott Sherard

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

100 FNL 1900 FWL 100 FNL 150 FWL

Sec: 8 Twp: 4N Rng: 64W Sec: 7 Twp: 4N Rng: 64W

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 64 West Section 8: NW1/4

Total Acres in Described Lease: 160 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: 678 Feet

Building Unit: 678 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1318 Feet

Above Ground Utility: 576 Feet

Railroad: 5280 Feet

Property Line: 210 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: 06/13/2017

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: 245 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 150 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

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	407-2667	1040	Sec. 5, 6, 7, 8

DRILLING PROGRAM

Proposed Total Measured Depth: 14204 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: 11 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? 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 449950.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 449950 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	1629	760	1629	0
1ST	8+1/2	5+1/2	20	0	14204	2035	14204	0

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

Verbal approval granted by Diana Burn on January 25, 2019. See attached correspondence. Unplanned sidetrack on the Challenger 1N (API 05-123-45890). We drilled to 14,201' (TD), circulated and then attempted to trip out. We got hung up at 13,948' and lost circulation. We worked it for a while and eventually it came free. Unfortunately once we get back to surface we saw we had left the agitator, BHA, bit, and 115 joints of drill pipe in the hole. Our plan is to sidetrack and drill a new lateral in the Niobrara B (same as original Challenger 1N).

- a. Well name and API - Challenger 1N API 05-123-45890-0000
- b. Explanation of situation and why you need to sidetrack – Got hung up at 13,948'. Eventually came free but left agitator, BHA, bit, and 115 joints of drill pipe
- c. Total measured depth reached (also have TVD) 14,201' MD/ 6,815' TVD'
- d. Casing sizes set and measured depth 9-5/8" @ 1629' MD/ 1629' TVD
- e. Description of fish-including top and bottom. Agitator, BHA, bit and 115 joints of drill pipe
- f. Type of cement you will be using including weight, yield, and sacks. No cement, open hole sidetrack
- g. Measured depth and TVD of sidetrack point 9,332' MD/ 6,833' TVD
- h. Proposed target formation of sidetrack hole if different than permitted. Same as permit.
- i. BHL of sidetrack hole.
14,204 MD/ 6815 TVD
- j. Wellbore diagram: Attached

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 453057

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: Ally Ota

Title: Regulatory Tech Date: 1/25/2019 Email: alexandria.ota@pdce.com

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

05 123 45890 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.

COA Type

Description

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
2	Drilling/Completion Operations	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.
3	Drilling/Completion Operations	One of the first wells drilled on the pad will be logged with Cased hole Pulsed Neutron Log with Gamma Ray Log from 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)

Attachment Check List

Att Doc Num

Name

401917775	OffsetWellEvaluations Data
401917818	CORRESPONDENCE
401918106	WELLBORE DIAGRAM

Total Attach: 3 Files

General Comments

User Group

Comment

Comment Date

		Stamp Upon Approval
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Total: 0 comment(s)

Public Comments

No public comments were received on this application during the comment period.