

FORM 2 Rev 06/19	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: 401874811 (REJECTED) Date Received: 03/22/2019
APPLICATION FOR PERMIT TO:			
<input checked="" type="checkbox"/> Drill <input type="checkbox"/> Deepen <input type="checkbox"/> Re-enter <input type="checkbox"/> Recomplete and Operate			
TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input 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 type="checkbox"/>
Well Name: <u>Bross Federal</u>		Well Number: <u>8N</u>	
Name of Operator: <u>PDC ENERGY INC</u>		COGCC Operator Number: <u>69175</u>	
Address: <u>1775 SHERMAN STREET - STE 3000</u>			
City: <u>DENVER</u>		State: <u>CO</u> Zip: <u>80203</u>	
Contact Name: <u>Ally Ota</u>		Phone: <u>(303)860-5800</u> Fax: <u>()</u>	
Email: <u>alexandria.ota@pdce.com</u>			
RECLAMATION FINANCIAL ASSURANCE			
Plugging and Abandonment Bond Surety ID: <u>20160047</u>			
WELL LOCATION INFORMATION			
QtrQtr: <u>SENW</u>		Sec: <u>33</u> Twp: <u>5N</u> Rng: <u>65W</u> Meridian: <u>6</u>	
Latitude: <u>40.356540</u>		Longitude: <u>-104.672870</u>	
Footage at Surface: <u>2372</u> Feet		FNL/FSL FEL/FWL <u>FNL</u> <u>1390</u> Feet <u>FWL</u>	
Field Name: <u>WATTENBERG</u>		Field Number: <u>90750</u>	
Ground Elevation: <u>4664</u>		County: <u>WELD</u>	
GPS Data:			
Date of Measurement: <u>11/27/2018</u>		PDOP Reading: <u>1.7</u> Instrument Operator's Name: <u>Jake Stille</u>	
If well is <input type="checkbox"/> Directional <input checked="" type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan.			
Footage at Top of Prod Zone:		FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL	
<u>1950</u> <u>FNL</u> <u>200</u> <u>FEL</u>		<u>1950</u> <u>FNL</u> <u>2447</u> <u>FEL</u>	
Sec: <u>32</u> Twp: <u>5N</u> Rng: <u>65W</u>		Sec: <u>31</u> Twp: <u>5N</u> Rng: <u>65W</u>	
LOCAL GOVERNMENT INFORMATION			
County: <u>WELD</u>		Municipality: <u>N/A</u>	
Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."			
The local government with jurisdiction is: <u>County</u>			
Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this COGCC application? If the local government has waived its right to precede the COGCC in siting determination, indicate by selecting "NO" here and selecting "Waived" below.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location. <input checked="" type="checkbox"/>			
The local government siting permit type is: <u>WOGLA</u>			
The local government siting permit was filed on: <u>03/11/2019</u>			
The disposition of the application filed with the local government is: <u>Approved</u>			

Additional explanation of local process:

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: 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.)

5N-65W-32: SE

Total Acres in Described Lease: 152 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: 1353 Feet
Building Unit: 1512 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1379 Feet
Above Ground Utility: 275 Feet
Railroad: 380 Feet
Property Line: 286 Feet
School Facility: 5280 Feet
School Property Line: 5280 Feet
Child Care Center: 5280 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, Designated Outside Activity Area, School Facility, and Child Care Center – 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 INFORMATIONDistance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 261 FeetDistance 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

DSU hearing scheduled for April 2019. Docket #190100010

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		960	S. 31:E2, 32: All

DRILLING PROGRAMProposed Total Measured Depth: 14756 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: 30 Feet No well belonging to another operator within 1,500 feetWill a closed-loop drilling system be used? YesIs 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? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? NoBOP 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 applicationCuttings 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? YesReuse 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	1600	920	1600	0
1ST	8+1/2	5+1/2	20	0	14756	2035	14756	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

The wellbore does not cross the lease described. The lease, however, is within the DSU.

Well names were changed after receipt of signed Exception Location and Stimulation Setback Consent letters. Bross 8N was changed to Bross Federal 8N.

PDC requests an exception to rule 317.p.: PDC will run a cased hole log.

The distance to the completed portion of the nearest well on the "Spacing and Formations" tab was measured to the Bross 9N. The distance to the nearest wellbore belonging to another operator on the "Drilling & Waste Plans" tab was measured to the Conlin Fed 1. Both distances were measured via the anti-collision report attached in the deviated drilling plan.

The subject well will have a treated interval less than 150' from the treated interval of the below wells. Please see the Rule 317.s Stimulation Setback Consent attached.

Alles 33-4 (05-123-14774) owned by Noble
Conlin Fed 1 (05-123-13255) owned by SRC
Dickens F 32-07X (05-123-31583) owned by SRC
Hayes Fed 31-8H5 (05-123-18213) owned by Noble
Holmes F 32-06 (05-123-19339) owned by SRC

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: Ally Ota

Title: Regulatory Tech Date: 3/22/2019 Email: alexandria.ota@pdce.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules, applicable orders, and SB 19-181 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.

<u>COA Type</u>	<u>Description</u>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
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	OPEN HOLE LOGGING EXCEPTION: One of the first wells drilled on the pad will be logged with cased-hole neutron log with gamma ray log from 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 state "Open Hole Logging Exception - No open-hole logs were run" and shall clearly identify the type of log and the well (by API #) in which open-hole logs were run.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401874811	FORM 2 RESUBMITTED
401980402	FORM 2 REJECTED
401981011	OffsetWellEvaluations Data
401981026	STIMULATION SETBACK CONSENT
401981027	STIMULATION SETBACK CONSENT
401981034	EXCEPTION LOC WAIVERS
401981038	DEVIATED DRILLING PLAN
401982069	WELL LOCATION PLAT
401982618	DIRECTIONAL DATA
401982619	SURFACE AGRMT/SURETY
401982621	OPEN HOLE LOGGING EXCEPTION
401982622	EXCEPTION LOC REQUEST

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit (Rejected)	REJECTION: This APD has been rejected per the COGCC Rejection Process (updated May 21, 2019). The EXCEPTION LOC WAIVERS does not mention half the wells on the pad, and is therefore incorrect on 17 APD's. This entire form and EXCEPTION LOC WAIVERS were reviewed by permitting staff. Other attachments were not reviewed.	07/02/2019
Permit	The following changes were made with Operator concurrence: - local government disposition information entered per information provided by Operator	06/13/2019
Permit	Passed completeness.	03/27/2019
Permit (Rejected)	REJECTION COMMENT: This APD is being rejected per the Rejection Process criteria that a pad of Form 2s requiring a total of four or more attachments to be added will be rejected. This pad requires a corrected WELL LOCATION PLAT, DEVIATED DRILLING PLAN, and Directional Data for a total of 17 APDs. In addition, there are numerous cultural distance and nearest well distance errors. Operator and COGCC staff have been consulted.	03/21/2019
Permit	Passed completeness.	12/30/2018

Total: 5 comment(s)

Public Comments

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

