

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
1757278
Plugging Bond Surety
20010102

3. Name of Operator: PETRO-CANADA RESOURCES (USA) INC 4. COGCC Operator Number: 72085

5. Address: 999 18TH ST STE 600
City: DENVER State: CO Zip: 80202-2499

6. Contact Name: SUSANMILLER Phone: (303)297-2100 Fax: (303)297-7708
Email: SUSAN.MILLER@PETRO-CANADA.COM

7. Well Name: WAGGENER Well Number: 8-34 (DIR)

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 6228

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 8 Twp: 4N Rng: 68W Meridian: 6

Latitude: 40.323860 Longitude: -105.032470

Footage at Surface: 1296 FNL/FSL FSL 1236 FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5024 13. County: WELD

14. GPS Data:

Date of Measurement: 04/28/2009 PDOP Reading: 1.8 Instrument Operator's Name: JEFF POZVEK

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 663 FSL 1995 FWL FWL Bottom Hole: FNL/FSL 663 FSL 1995 FWL FWL
Sec: 8 Twp: 4N Rng: 68W Sec: 8 Twp: 4N Rng: 68W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 401

18. Distance to nearest property line: 1236 19. Distance to nearest well permitted/completed in the same formation: 1010

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA-CODELL | NB-CD | | 80 | E/2SW |

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: _____

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No Surface Owners Agreement Attached or \$25,000 Blanket Surface Bon \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
SEE ATTACHED

25. Distance to Nearest Mineral Lease Line: 1236 26. Total Acres in Lease: 320

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite
Method: Land Farming Land Spreading Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 8+5/8 | 26 | 320 | 222 | 320 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 6,228 | 955 | 6,228 | 310 |

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments CONDUCTOR CASING WILL NOT BE UTILIZED. THIS IS PART OF A FORM 2A 4-WELL MULTI-WELL APPLICATION SUBMITTED UNDER WAGGENER 8-35.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: Y Print Name: SUSAN MILLER

Title: REG ANALYST Date: 6/26/2009 Email: SUSAN.MILLER@PETRO-CA

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: David S. Neslin Director of COGCC Date: 9/30/2009

API NUMBER
05 123 30689 00

Permit Number: 20092811 Expiration Date: 9/29/2010

CONDITIONS OF APPROVAL, IF ANY: _____

Condition of Approval

Comment

Agency

Use of a closed loop system or lining of drilling pit is required due to shallow groundwater.

1) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|--------------------|
| 1691603 | OIL & GAS LEASE | LF@2101321 1691603 |
| 1757277 | LOCATION PICTURES | LF@2093322 1757277 |
| 1757278 | APD ORIG & 1 COPY | LF@2093171 1757278 |
| 1757279 | LOCATION PICTURES | LF@2093324 1757279 |
| 1757280 | WELL LOCATION PLAT | LF@2093172 1757280 |
| 1757281 | TOPO MAP | LF@2093173 1757281 |
| 1757282 | DEVIATED DRILLING PLAN | LF@2093174 1757282 |
| 1757283 | SURFACE AGRMT/SURETY | LF@2093175 1757283 |

Total Attach: 8 Files