

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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| DE | ET | OE | ES |
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Document Number:

400032686

Plugging Bond Surety

20090078

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 ☐

3. Name of Operator: PETROLEUM DEVELOPMENT CORPORATION

4. COGCC Operator Number: 69175

5. Address: 1775 SHERMAN STREET - SUITE 3000

City: DENVER State: CO Zip: 80203

6. Contact Name: Sarah Garrett Phone: (303)860-5803 Fax: (303)860-5838

Email: sgarrett@petd.com

7. Well Name: Wells Ranch Well Number: 36R

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

9. Proposed Total Measured Depth: 6900

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 36 Twp: 6N Rng: 63W Meridian: 6

Latitude: 40.449740 Longitude: -104.379950

Footage at Surface: 155 FNL/FSL FNL 1169 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4705 13. County: WELD

14. GPS Data:

Date of Measurement: 12/22/2009 PDOP Reading: 6.0 Instrument Operator's Name: Thomas G Carlson PLS 24657

15. 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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 2 mi

18. Distance to nearest property line: 155 ft 19. Distance to nearest well permitted/completed in the same formation: 780 ft

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 | 407-87 | 160 | GWA |
| Sussex Shannon | SX-SN | | 160 | GWA |

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):
Section 36, Township 6 North, Range 63 West

25. Distance to Nearest Mineral Lease Line: 155 ft 26. Total Acres in Lease: 640

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 | 24 | 500 | 300 | 500 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 10.5 | 6,900 | 180 | 6,900 | 5,700 |

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

33. Comments Conductor casing will not be used. Well will be tied into a common tank battery at the existing Wells Ranch 36C location. Propsed spacing unit is N/2NE4 Sec 36 and the S/2SE4 Sec 25. LOCATION IS OUTSIDE DRILLING WINDOW AND IS MORE THAN 50' FROM AN EXISTING WELL LOCATION: EXCEPTION GRANTED.

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: _____ Print Name: Sarah Garrett

Title: Landman Date: 1/27/2010 Email: sgarrett@petd.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: David S. Neslin Director of COGCC Date: 3/6/2010

API NUMBER

05 123 31250 00

Permit Number: _____ Expiration Date: 3/4/2012

CONDITIONS OF APPROVAL, IF ANY: _____

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.

COGCC ENG COA – SME 1) Provide 24 hr notice of spud to Provide 24 hour notice of MIRU to Bo Brown at 970-330-6085 or email at bo.brown@state.co.us. 2. Set surface casing, per Rule 317d, cement to surface. Setting surface casing less than the approved depth is a permit violation unless prior written approval is obtained from the COGCC. 3) If completed comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log. Restore surface location.

LOCATION IS OUTSIDE DRILLING WINDOW AND IS MORE THAN 50' FROM AN EXISTING WELL LOCATION:
EXCEPTION GRANTED.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|-----------------------|----------------------|
| 1725602 | SURFACE CASING CHECK | LF@2426181 1725602 |
| 400032687 | PLAT | LF@2327653 400032687 |
| 400032690 | TOPO MAP | LF@2327654 400032690 |
| 400032694 | 30 DAY NOTICE LETTER | LF@2327655 400032694 |
| 400032695 | EXCEPTION LOC WAIVERS | LF@2327656 400032695 |
| 400032696 | EXCEPTION LOC REQUEST | LF@2327657 400032696 |
| 400032704 | PROPOSED SPACING UNIT | LF@2327658 400032704 |
| 400032705 | PROPOSED SPACING UNIT | LF@2327659 400032705 |
| 400032706 | PROPOSED SPACING UNIT | LF@2327660 400032706 |
| 400032731 | FORM 2 SUBMITTED | LF@2327661 400032731 |

Total Attach: 10 Files