

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:

1757259

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: SUSAN MILLER Phone: (303)297-2100 Fax: (303)297-7708

Email: SUSAN.MILLER@PETRO-CANADA.COM

7. Well Name: WAGGENER Well Number: 8-35

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

9. Proposed Total Measured Depth: 8200

WELL LOCATION INFORMATION

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

Latitude: 40.323960 Longitude: -105.032450

Footage at Surface: 1332 FNL/FSL FSL 1239 FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5025 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 _____ 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: 401 ft

18. Distance to nearest property line: 1239 ft 19. Distance to nearest well permitted/completed in the same formation: 875 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| J SAND | JSND | | 160 | SW/4 |
| LYONS | LYNS | | 160 | SW/4 |
| NIOBRARA-CODELL | NB-CD | | 160 | SW/4 |

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 Bond ☐ \$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: 1239 ft 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 | 410 | 294 | 410 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 8,200 | 1,243 | 8,200 | 410 |

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

33. Comments CONDUCTOR CASING WILL NOT BE UTILIZED.

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. Nashin Director of COGCC Date: 9/29/2009

API NUMBER

05 123 30669 00

Permit Number: 20092814 Expiration Date: 9/28/2011

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.

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.

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

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|----------------------|----------------------|
| 1691605 | OIL & GAS LEASE | LF@2101319 1691605 |
| 1757260 | WELL LOCATION PLAT | LF@2093187 1757260 |
| 1757261 | TOPO MAP | LF@2093188 1757261 |
| 1757262 | SURFACE AGRMT/SURETY | LF@2093189 1757262 |
| 400009251 | APD ORIG & 1 COPY | LF@2093186 400009251 |

Total Attach: 5 Files