

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:

400006997

Plugging Bond Surety

20010124

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: KERR-MCGEE OIL & GAS ONSHORE LP

4. COGCC Operator Number: 47120

5. Address: P O BOX 173779

City: DENVER State: CO Zip: 80217-3779

6. Contact Name: Cheryl Light Phone: (720)929-6461 Fax: (720)929-7461

Email: Cheryl.Light@anadarko.com

7. Well Name: STATE Well Number: 2-16

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

9. Proposed Total Measured Depth: 8122

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 16 Twp: 1N Rng: 68W Meridian: 6

Latitude: 40.057380 Longitude: -105.009240

Footage at Surface: 364 FNL/FSL FNL 2503 FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5135 13. County: WELD

14. GPS Data:

Date of Measurement: 08/20/2009 PDOP Reading: 6.0 Instrument Operator's Name: Travis Kraich

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

Footage at Top of Prod Zone: FNL/FSL 510 FNL 2180 FEL FEL Bottom Hole: FNL/FSL 510 FNL 2180 FEL FEL
Sec: 16 Twp: 1N Rng: 68W Sec: 16 Twp: 1N 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: 200 ft

18. Distance to nearest property line: 151 ft 19. Distance to nearest well permitted/completed in the same formation: 715 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 | 80 | N/2NE4 |
| Sussex/Shannon | SX-SN | | 80 | N/2NE4 |

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):
T1N-R68W-SEC. 16: ALL

25. Distance to Nearest Mineral Lease Line: 510 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 | 1,020 | 714 | 1,020 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 8,122 | 200 | 8,122 | |

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

33. Comments NO CONDUCTOR CASING WILL BE USED

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: Cheryl Light

Title: Senior Regulatory Analyst Date: 11/6/2009 Email: cheryl.light@anadarko.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: 12/22/2009

API NUMBER

05 123 30942 00

Permit Number: _____ Expiration Date: 12/21/2011

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 Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us 2) 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. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Location is outside of GWA window and is more than 50 feet from nearest existing well exception has been granted.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|----------------------|--------------------------|
| 1769652 | SURFACE CASING CHECK | LF@2185885 1769652.00000 |
| 400006998 | DRILLING PLAN | LF@2181412 400006998 |
| 400006999 | WELL LOCATION PLAT | LF@2181413 400006999 |
| 400007000 | TOPO MAP | LF@2181414 400007000 |
| 400007001 | MULTI-WELL PLAN | LF@2181415 400007001 |
| 400007002 | 30 DAY NOTICE LETTER | LF@2181416 400007002 |
| 400014031 | WAIVERS | LF@2181417 400014031 |
| 400014032 | FORM 2 SUBMITTED | LF@2181418 400014032 |

Total Attach: 8 Files