

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



| | | | |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

Document Number:

400071394

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 - STE 3000

City: DENVER State: CO Zip: 80203

6. Contact Name: Kelly Huffman Phone: (303)831-3974 Fax: (303)860-5838

Email: khuffman@petd.com

7. Well Name: Walters Well Number: 23-21DU

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

9. Proposed Total Measured Depth: 7576

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 21 Twp: 4N Rng: 67W Meridian: 6

Latitude: 40.295380 Longitude: -104.899580

Footage at Surface: 1547 FNL/FSL FSL 1642 FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4940 13. County: WELD

14. GPS Data:

Date of Measurement: 03/10/2011 PDOP Reading: 6.0 Instrument Operator's Name: Thomas G. Carlson

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

Footage at Top of Prod Zone: FNL/FSL 2093 FSL 2180 FWL FWL Bottom Hole: FNL/FSL 2093 FSL 2180 FWL FWL
Sec: 21 Twp: 4N Rng: 67W Sec: 21 Twp: 4N Rng: 67W

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: 1119 ft

18. Distance to nearest property line: 90 ft 19. Distance to nearest well permitted/completed in the same formation: 645 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 | E/2SW/4 |
| Sussex Shannon | SX-SN | n/a | 80 | E/2SW/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#: 19990086

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):
 Township 4 North, Range 67 West, 6th P.M. Section 21: W/2 (and lands in other sections)

25. Distance to Nearest Mineral Lease Line: 488 ft 26. Total Acres in Lease: 480

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 | 650 | 390 | 650 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 10.5 | 7,576 | 206 | 7,576 | 6,176 |
| S.C. 1.1 | 7+7/8 | 4+1/2 | 10.5 | 7,576 | 206 | 7,576 | 6,176 |

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

33. Comments Conductor casing will not be used. The Walters 23-21DU will be drilled from the same pad as the Walters 21ODU, 21QDU, 24-21DU, 21LDU, Ryland 20XD, 20YD, Wedco 13-21DU and 14-21DU. The well will be tied into an existing tank battery facility located at the Bunyan 1 well. Petroleum Development Corporation requests approval of a Rule 318Ac exception location: Wellhead is to be located more than 50' from an existing well location. Petroleum Development Corporation requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line.

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: Kelly Huffman

Title: Contract Land Tech Date: 7/1/2010 Email: khuffman@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. Nesline Director of COGCC Date: 8/6/2010

Permit Number: _____ Expiration Date: 8/5/2012

API NUMBER

05 123 31966 00

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 Bo Brown at 970-397-4124 or e-mail at bo.brown@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.
- 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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 1770467 | SURFACE CASING CHECK | LF@2513990 1770467 |
| 400071394 | FORM 2 SUBMITTED | LF@2500797 400071394 |
| 400071400 | EXCEPTION LOC REQUEST | LF@2500798 400071400 |
| 400071401 | 30 DAY NOTICE LETTER | LF@2500799 400071401 |
| 400071402 | EXCEPTION LOC REQUEST | LF@2500800 400071402 |
| 400071403 | EXCEPTION LOC WAIVERS | LF@2500801 400071403 |
| 400071404 | EXCEPTION LOC WAIVERS | LF@2500802 400071404 |
| 400071405 | PLAT | LF@2500803 400071405 |
| 400071406 | TOPO MAP | LF@2500805 400071406 |
| 400071407 | DEVIATED DRILLING PLAN | LF@2500806 400071407 |

Total Attach: 10 Files

General Comments

| User Group | Comment | Comment Date |
|------------|-------------------------|---------------------|
| Permit | PERMITTING PASSED . PVG | 8/6/2010 4:46:36 PM |

Total: 1 comment(s)