

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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Document Number:

400064141

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: Schaefer Well Number: 7RD

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

9. Proposed Total Measured Depth: 7496

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 7 Twp: 6N Rng: 66W Meridian: 6

Latitude: 40.508710 Longitude: -104.818560

Footage at Surface: 188 FNL/FSL FNL 1916 FEL/FWL FEL

11. Field Name: Eaton Field Number: 19350

12. Ground Elevation: 4880 13. County: WELD

14. GPS Data:

Date of Measurement: 04/27/2010 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 25 FNL 1444 FEL FEL Bottom Hole: FNL/FSL 25 FNL 1444 FEL FEL
Sec: 7 Twp: 6N Rng: 66W Sec: 7 Twp: 6N Rng: 66W

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: 178 ft

18. Distance to nearest property line: 188 ft 19. Distance to nearest well permitted/completed in the same formation: 1000 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

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 6 North, Range 66 West, 6th P M Section 7: E/2

25. Distance to Nearest Mineral Lease Line: 25 ft 26. Total Acres in Lease: 330

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	730	390	730	0
1ST	7+7/8	4+1/2	10.5	7,496	193	7,496	6,096

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

33. Comments Conductor casing will not be used. The Schaefer 7RD well will be drilled from the same pad as the Schaefer 41-7D, 7CD, 31-7D and 7MD wells. The well will be tied into a tank battery facility located on site. Petroleum Development Corporation requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Proposed GWA unit configuration for NB-CD: Sec 6: S2SE & Sec 7: N2SE ;

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 Technician Date: 7/29/2010 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: 10/4/2010

API NUMBER

05 123 32305 00

Permit Number: _____ Expiration Date: 10/3/2012

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.

1) Note surface casing setting depth change from 650' to 730'. Increase cement coverage accordingly. 2) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us 3) 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. 4) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Because the proposed location is located 178' from a public road, the derrick height shall be no more than 118' as measured from the ground.

Attachment Check List

Att Doc Num	Name	Doc Description
1770532	SURFACE CASING CHECK	LF@2539711 1770532
2621977	WELL LOCATION PLAT	LF@2596587 2621977
400064141	FORM 2 SUBMITTED	LF@2521021 400064141
400064162	TOPO MAP	LF@2521023 400064162
400076828	30 DAY NOTICE LETTER	LF@2521024 400076828
400076829	EXCEPTION LOC WAIVERS	LF@2521025 400076829
400076830	EXCEPTION LOC REQUEST	LF@2521026 400076830
400076831	DEVIATED DRILLING PLAN	LF@2521027 400076831
400076832	PROPOSED SPACING UNIT	LF@2521028 400076832
400076849	PROPOSED SPACING UNIT	LF@2521029 400076849

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Location has been moved 13' so that 118' derrick height will meet minimum set back. Per Kelly Huffman, change distances to the following: (Nearest well permitted/completed in same formation: 1000', nearest mineral lease line: 25', nearest building, road etc: 178', nearest property line: 188'). PVG	10/4/2010 11:43:17 AM
Permit	ON HOLD. Proposed GWA unit configuration missing. Requested unit configuration. PVG Awaiting confirmation from operator regarding the derrick height limitation due to proximity to a public road. PVG	9/2/2010 3:07:27 PM
Permit	Per Kelly Huffman, change distance to nearest well completed/permitted in the same location from 518 to 1000. PVG	9/2/2010 12:53:55 PM

Total: 3 comment(s)

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