

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 |
|----|----|----|----|

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:

400087784

Plugging Bond Surety

20010124

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: SWEETGRASS Well Number: 39-14

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

9. Proposed Total Measured Depth: 8572

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 14 Twp: 1N Rng: 68W Meridian: 6

Latitude: 40.049271 Longitude: -104.964230

Footage at Surface: 1852 FNL/FSL FSL 848 FEL/FWL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5136 13. County: WELD

14. GPS Data:

Date of Measurement: 05/07/2010 PDOP Reading: 1.7 Instrument Operator's Name: JERRY F. HARCEK, JR.

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

Footage at Top of Prod Zone: FNL/FSL 1335 FSL 50 FEL FEL Bottom Hole: FNL/FSL 1335 FSL 50 FEL FEL
Sec: 14 Twp: 1N Rng: 68W Sec: 14 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: 580 ft

18. Distance to nearest property line: 580 ft 19. Distance to nearest well permitted/completed in the same formation: 991 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 | GWA |
| NIOBRARA-CODELL | NB-CD | | 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 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 OIL & GAS LEASE

25. Distance to Nearest Mineral Lease Line: 1266 ft 26. Total Acres in Lease: 5752

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 | 1,160 | 812 | 1,160 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 8,572 | 200 | 8,572 | |

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

33. Comments NO CONDUCTOR CASING WILL BE USED. PROPOSED GWA UNIT CONFIGURATION: NB-CD & JSAND - W/2SW/4 & Sec.13 T1N-R68W; E/2SE/4 Sec 14 T1N-R68W; Kerr McGee Oil & Gas Onshore LP requests approval of a Rule 318Ac exception location: Wellhead is to be located more than 50' from an existing well location. Surface owner consent to exception location is provided by article 10.A of the SUA.

34. Location ID: 327687

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: SR. REGULATORY ANALYST Date: 9/7/2010 Email: DJREGULATORY@ANADARK

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 G. Neslin Director of COGCC Date: 10/4/2010

| | |
|--------------------------------------|--|
| API NUMBER 05 123 32312 00 | Permit Number: _____ Expiration Date: <u>10/3/2012</u> |
|--------------------------------------|--|

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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|----------------------|
| 2621968 | EXCEPTION LOC REQUEST | LF@2588794 2621968 |
| 400087784 | FORM 2 SUBMITTED | LF@2538091 400087784 |
| 400087786 | WELL LOCATION PLAT | LF@2538092 400087786 |
| 400087787 | TOPO MAP | LF@2538093 400087787 |
| 400087788 | OIL & GAS LEASE | LF@2538094 400087788 |
| 400087789 | SURFACE AGRMT/SURETY | LF@2538095 400087789 |
| 400087790 | 30 DAY NOTICE LETTER | LF@2538096 400087790 |
| 400087791 | DEVIATED DRILLING PLAN | LF@2538097 400087791 |
| 400087792 | PROPOSED SPACING UNIT | LF@2538098 400087792 |

Total Attach: 9 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|-------------------------|
| Permit | This location is an exception to Rule 318A.c. Consent to exception location is granted in article 10.A of the Surface Use Agreement. Requested Exception Location Request Letter. Received request letter and uploaded to application as attachment. PVG | 10/1/2010 2:53:38 PM |
| Permit | This location is in a high density area, more than 18 building units are located within a semi-circle of 1000'. Checked high density. The location meets all minimum setbacks for high density and does not require consultation. PVG | 10/1/2010 2:53:04 PM |
| Engineer | not deep enough for rathole - notified CL 9/30 changed csg/TD per CL 9/30 | 9/30/2010 9:57:29 AM |

Total: 3 comment(s)

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