

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:

400123032

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: PALYO Well Number: 22-11

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

9. Proposed Total Measured Depth: 7946

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 11 Twp: 2N Rng: 65W Meridian: 6

Latitude: 40.157570 Longitude: -104.635624

Footage at Surface: 1058 feet FNL/FSL FNL 1354 feet FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4854 13. County: WELD

14. GPS Data:

Date of Measurement: 07/29/2010 PDOP Reading: 2.1 Instrument Operator's Name: BEN MILIUS

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

Footage at Top of Prod Zone: FNL/FSL 2600 FNL 1320 FWL FWL Bottom Hole: FNL/FSL 2600 FNL 1320 FWL FWL
Sec: 11 Twp: 2N Rng: 65W Sec: 11 Twp: 2N Rng: 65W

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: 1058 ft

18. Distance to nearest property line: 268 ft 19. Distance to nearest well permitted/completed in the same formation: 957 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	407	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):
PLEASE SEE ATTACHED OIL AND GAS LEASE

25. Distance to Nearest Mineral Lease Line: 1320 ft 26. Total Acres in Lease: 5709

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

31. Mud disposal: ☒ Offsite ☐ Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24#	0	800	560	800	
1ST	7+7/8	4+1/2	11.6#	0	7,946	200	7,946	

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

33. Comments NO CONDUCTOR CASING WILL BE USED . PROPOSED GWA UNIT CONFIGURATION FOR NB-CD AND JSND: S/2NW/4, N/2SW/4 ;

34. Location ID: 318769

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: 1/24/2011 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 S. Neslin Director of COGCC Date: 2/18/2011

API NUMBER

05 123 32992 00

Permit Number: _____ Expiration Date: 2/17/2013

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 Sussex 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
400123032	FORM 2 SUBMITTED
400123038	WELL LOCATION PLAT
400123039	TOPO MAP
400123040	OIL & GAS LEASE
400123041	SURFACE AGRMT/SURETY
400123042	30 DAY NOTICE LETTER
400123043	DEVIATED DRILLING PLAN
400123044	PROPOSED SPACING UNIT

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Corrected PTMD to value on directional plan	2/18/2011 9:59:01 AM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)