

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:

400125188

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: Liz Lindow Phone: (303)590-8789 Fax: ()

Email: llindow@petd.com

7. Well Name: Nelson Well Number: 44-32D

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

9. Proposed Total Measured Depth: 7643

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 32 Twp: 7N Rng: 66W Meridian: 6

Latitude: 40.526800 Longitude: -104.797900

Footage at Surface: 1097 feet FNL/FSL FSL 1107 feet FEL/FWL FEL

11. Field Name: Eaton Field Number: 19350

12. Ground Elevation: 4860 13. County: WELD

14. GPS Data:

Date of Measurement: 01/05/2011 PDOP Reading: 6.0 Instrument Operator's Name: Thomas Carlson

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

Footage at Top of Prod Zone: FNL/FSL 667 FSL 848 FEL FEL Bottom Hole: FNL/FSL 667 FSL 848 FEL FEL
Sec: 32 Twp: 7N Rng: 66W Sec: 32 Twp: 7N 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: 440 ft

18. Distance to nearest property line: 80 ft 19. Distance to nearest well permitted/completed in the same formation: 682 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 | | 80 | W2SE/4 |
| Parkman | PRKM | | 80 | W2SE/4 |
| Sussex Shannon | SX-SN | | 80 | W2SE/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):
SE/4 and a portion of SW/4 of Sec 32, 7N, 66W. See attached mineral lease map.

25. Distance to Nearest Mineral Lease Line: 667 ft 26. Total Acres in Lease: 242

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: Closed loop

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 | 900 | 500 | 900 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 10.5 | 0 | 7,643 | 525 | 7,643 | 0 |

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

33. Comments Conductor casing will not be used. The Nelson 43-32D, 32D, 33-32D, 43-32D, and 34-32D will all be drilled from the same pad. The wells be be tied into a tank battery approximately 1072 feet to the south. Petroleum Development Corporation requests approval of a 603a2 exception location: Well head is to be located closer than 150' to the nearest property line. Waiver attached.

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: Liz Lindow

Title: Permit Representative Date: 2/11/2011 Email: llindow@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 G. Neslin Director of COGCC Date: 3/7/2011

API NUMBER

05 123 33106 00

Permit Number: _____ Expiration Date: 3/6/2013

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) Note surface casing setting depth change from 391' to 900'. 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. 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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400125188 | FORM 2 SUBMITTED |
| 400125195 | WELL LOCATION PLAT |
| 400125196 | TOPO MAP |
| 400127768 | MINERAL LEASE MAP |
| 400131584 | DEVIATED DRILLING PLAN |
| 400131986 | 30 DAY NOTICE LETTER |
| 400132870 | EXCEPTION LOC REQUEST |
| 400132871 | EXCEPTION LOC WAIVERS |
| 400132892 | EXCEPTION LOC WAIVERS |
| 400132937 | SURFACE AGRMT/SURETY |

Total Attach: 10 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | -----Added objective formation per L. Lindow Request | 3/2/2011 6:53:45 PM |
| Permit | --HOLD OFF--Hi Gary, These wells and location should be permitted under bond, Surface Surety ID # 19990086, \$25,000 blanket bond. Best regards, Liz Lindow | 2/27/2011 6:01:20 PM |
| Permit | ---ON HOLD--Waiting on information related to SUA---Reviewed | 2/16/2011 9:13:27 AM |
| Permit | ----Well twinned from proposed Nelson 34-32D, 22 ft to north--within 800' window. | 2/16/2011 9:13:27 AM |
| Permit | -----Exception location request and offset surface owners (Nelson's, Moody's) waivers attached-wellhead closer than 150' to property line 603.a.2 | 2/16/2011 9:13:26 AM |

Total: 5 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------|-----------------------|
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Total: 0 comment(s)