

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		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%;">DE</td> <td style="width:25%;">ET</td> <td style="width:25%;">OE</td> <td style="width:25%;">ES</td> </tr> </table>	DE	ET	OE	ES
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:
 400123254
 Plugging Bond Surety
 20090078

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: 14-32D

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

9. Proposed Total Measured Depth: 7752

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 32 Twp: 7N Rng: 66W Meridian: 6
 Latitude: 40.528470 Longitude: -104.809610

Footage at Surface: <u>1748</u> feet	FNL/FSL <u>FSL</u> <u>930</u> feet	FEL/FWL <u>FWL</u>
--------------------------------------	---------------------------------------	-----------------------

11. Field Name: Eaton Field Number: 19350

12. Ground Elevation: 4860 13. County: WELD

14. GPS Data:

Date of Measurement: 12/10/2010 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:	Bottom Hole:	
FNL/FSL FEL/FWL	FNL/FSL FEL/FWL	
<u>659</u> <u>FSL</u> <u>666</u> <u>FWL</u>	<u>659</u> <u>FSL</u> <u>666</u> <u>FWL</u>	
Sec: <u>32</u> Twp: <u>7n</u> Rng: <u>66W</u>	Sec: <u>32</u> Twp: <u>7N</u> Rng: <u>66W</u>	

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: 495 ft

18. Distance to nearest property line: 572 ft 19. Distance to nearest well permitted/completed in the same formation: 963 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	W2SW/4
Sussex Shannon	SX-SN		80	W2SW/4

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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 Bon \$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):
A portion of the SWSW of Sec 32 T7N R66W. Mineral lease map is attached.

25. Distance to Nearest Mineral Lease Line: 166 ft 26. Total Acres in Lease: 14

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	7,752	525	7,752	0

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

33. Comments Conductor casing will not be used. The Nelson 13-32D, 23-32D, 14-32D, 24-32D, 32BD will all be drilled from the same pad. The wells will be tied into a tank battery facility approximately 991 feet to the southwest. 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 existin well location.

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 S. Neslin Director of COGCC Date: 3/11/2011

API NUMBER 05 123 33121 00	Permit Number: _____	Expiration Date: <u>3/10/2013</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) 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
400123254	FORM 2 SUBMITTED
400123262	DEVIATED DRILLING PLAN
400123263	WELL LOCATION PLAT
400123264	TOPO MAP
400127828	MINERAL LEASE MAP
400132832	EXCEPTION LOC REQUEST
400132833	EXCEPTION LOC WAIVERS
400132917	30 DAY NOTICE LETTER

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	-----PDC IS THE LEASE HOLDER FOR ALL OF THE MINERALS IN THE SECTION AND REQUESTS STANDUP 80 ACRE SPACING UNITS. A POOLING DECLARATION IS BEING WORKED INTO THE TITLES CURRENTLY.-L.L. PDC	3/2/2011 10:39:42 AM
Permit	-----Surface owner waiver and exception location request attached-318A.a and 318A.c. Nelson 14-32D will be considered exception location for both requests. 318A.a and 318A.c exception granted.	3/2/2011 10:39:16 AM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)