

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:

400165317

Plugging Bond Surety

20040083

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: PIONEER NATURAL RESOURCES USA INC 4. COGCC Operator Number: 10084
5. Address: 1401 17TH ST STE 1200
City: DENVER State: CO Zip: 80202
6. Contact Name: Georgina Kovacic Phone: (303)675-2611 Fax: (303)294-1251
Email: georgina.kovacic@pxd.com
7. Well Name: GRAHAM Well Number: 32-22 TR
8. Unit Name (if appl): Cottontail Pass Unit Number: COC59968A
9. Proposed Total Measured Depth: 2060

WELL LOCATION INFORMATION

10. QtrQtr: SW/NE Sec: 22 Twp: 32S Rng: 66W Meridian: 6
Latitude: 37.245670 Longitude: -104.767050

Footage at Surface: 1949 feet FNL/FSL FNL 2565 feet FEL/FWL FEL

11. Field Name: Purgatoire River Field Number: 70830
12. Ground Elevation: 7513 13. County: LAS ANIMAS

14. GPS Data:

Date of Measurement: 03/30/2011 PDOP Reading: 5.1 Instrument Operator's Name: R. Coberly

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

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 1075 ft

18. Distance to nearest property line: 250 ft 19. Distance to nearest well permitted/completed in the same formation: 1451 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| RATON | RTON | NA | | NA |

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#: 20040084

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

25. Distance to Nearest Mineral Lease Line: 250 ft 26. Total Acres in Lease: 560

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

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Drilling pit

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 12+3/4 | 12+3/4 | 33.38 | 0 | 6 | | | |
| SURF | 11 | 8+5/8 | 24 | 0 | 700 | 147 | 700 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 15.5 | 0 | 2,060 | 305 | 2,060 | 0 |

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

33. Comments The conductor casing will be hammered in. Surface casing exception required for 700 ft. due to the COGCC requiring a surface casing depth of 785 ft. This would leave behind ~2Ft of Net Raton or ~5% of net Tr Coal.

34. Location ID: 308186

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: Georgina Kovacik

Title: Engineering Tech Date: 5/16/2011 Email: georgina.kovacik@pxd.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: 6/10/2011

API NUMBER

05 071 09874 00

Permit Number: _____ Expiration Date: 6/9/2013

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 48 hour notice of MIRU to John Duran at 719-846-4715 email John.Duran@state.co.us.
- 2) Provide cement coverage of production casing from TD to surface casing shoe or above. Verify coverage with cement bond log.
- 3) Immediately cease operations and notify the COGCC in the event of any operational problem that could impact water wells in the area.

NOTE: There is a water well ½-mile to 1-mile from the proposed well location with TD elevation deeper than the proposed surface casing setting depth. (Receipt #0491681 in NWNW23-32S-66W). Exception for 700' of surface casing granted, otherwise 795' of surface casing would be needed to cover 50' below all water wells within a 1-mile radius.

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 400165317 | FORM 2 SUBMITTED |
| 400165327 | WELL LOCATION PLAT |
| 400165328 | LEGAL/LEASE DESCRIPTION |
| 400165330 | 30 DAY NOTICE LETTER |
| 400165336 | CONSULT NOTICE |

Total Attach: 5 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---------|--------------|
| | | |

Total: 0 comment(s)

BMP

| Type | Comment |
|------|---------|
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Total: 0 comment(s)