

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400308709

Date Received:

07/24/2012

PluggingBond SuretyID

20010124

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER horizontal
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☒3. Name of Operator: KERR-MCGEE OIL & GAS ONSHORE LP4. COGCC Operator Number: 471205. Address: P O BOX 173779City: DENVER State: CO Zip: 80217-37796. Contact Name: Cheryl Light Phone: (720)929-6461 Fax: (720)929-7461Email: cheryl.light@anadarko.com7. Well Name: PERKINS Well Number: 14C-21HZ

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

9. Proposed Total Measured Depth: 11669

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 21 Twp: 2N Rng: 64W Meridian: 6Latitude: 40.130103 Longitude: -104.559960

Footage at Surface: 414 feet FNL 1628 feet FWL
 FNL/FSL FEL/FWL

11. Field Name: WATTENBERG Field Number: 9075012. Ground Elevation: 4921 13. County: WELD

14. GPS Data:

Date of Measurement: 04/19/2012 PDOP Reading: 2.2 Instrument Operator's Name: OWEN McKEE15. 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
624 FNL 2370 FWL 460 FSL 2310 FWL
 Sec: 21 Twp: 2N Rng: 64W Sec: 21 Twp: 2N Rng: 64W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 423 ft18. Distance to nearest property line: 270 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 384 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.)
CODELL	CODL		320	GWA

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☒ No23b. 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: 318 ft

26. Total Acres in Lease: 5738

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	13+1/2	9+5/8	36.0	0	1,300	420	1,300	0
1ST	8+3/4	7	26.0	0	7,305	640	7,305	0
1ST LINER	6+1/8	4+1/2	11.6	6381	11,286			

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

33. Comments No conductor casing will be used. Unit Configuration CODL: E/2W/2, W/2E/2. The surface location of this well is an exception to Rule 318A.a. This well is not within the GWA surface location window due to the number of wells planned for this area and at the request of the surface owner. An exception location request letter and signed waivers are attached to the Form 2 and Form 2A. Operator will run open hole logs into the surface casing on the first well drilled on this pad.

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: Cheryl Light

Title: Sr. Regulatory Analyst

Date: 7/24/2012

Email: DJRegulatory@anadarko.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: _____

Director of COGCC

Date: 8/22/2012

API NUMBER

05 123 36007 00

Permit Number: _____

Expiration Date: 8/21/2014

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 notice of MIRU via an electronic Form 42.
 2)Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.

Attachment Check List

Att Doc Num	Name
1792498	DEVIATED DRILLING PLAN
2481755	SURFACE CASING CHECK
400308709	FORM 2 SUBMITTED
400308717	DEVIATED DRILLING PLAN
400308718	WELL LOCATION PLAT
400308719	TOPO MAP
400308720	30 DAY NOTICE LETTER
400308721	SURFACE AGRMT/SURETY
400308722	OIL & GAS LEASE
400308723	EXCEPTION LOC REQUEST
400308724	EXCEPTION LOC WAIVERS
400308725	PROPOSED SPACING UNIT
400308726	OTHER
400308999	DIRECTIONAL DATA

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	8/21/2012 10:08:14 AM
Permit	Please accept this e-mail as Kerr-McGee's authorization to change the Perkins 14C-21HZ. I have attached a new deviated drilling plan and directional template. The new top of production and total depth are provided below: TOP OF PRODUCTIONTD PERKINS 14C-21HZ624' FNL, 2370' FWL11669 Let me know if you have any more questions and thank you very much for all your help. Cheryl Light	3/1/2012 6:31:25 AM
Permit	Requested review of the east-west location for the TOP. says 1538' FWL appears to be closer to 1738'.	7/30/2012 8:17:50 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	"Prior to drilling operations, Operator may perform an anti-collision review of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys and surface locations of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well may only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anti-collision plan, with separation factors greater than 1.5, or if the risk of collision has been mitigated through other means including shutting in wells, plugging wells, increased drilling fluid in the event of lost returns or as is appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, the environment or property. For the proposed well, upon conclusion of drilling operations, an as-constructed directional survey will be submitted to COGCC with the Form 5."
Drilling/Completion Operations	Kerr McGee acknowledges and will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 2 comment(s)