

FORM  
2

Rev  
12/05

State of Colorado  
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400324094

Date Received:

09/21/2012

PluggingBond SuretyID

20090078

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_  
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐

Sidetrack ☐

3. Name of Operator: PDC ENERGY INC

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)831-3974 Fax: ()

Email: liz.lindow@pdce.com

7. Well Name: Simonsen-Schaefer Well Number: 7M-243

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 11983

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 6 Twp: 6N Rng: 66W Meridian: 6

Latitude: 40.509860 Longitude: -104.827910

Footage at Surface: 310 feet FSL 1218 feet FWL

11. Field Name: Eaton Field Number: 19350

12. Ground Elevation: 4891 13. County: WELD

14. GPS Data:

Date of Measurement: 06/12/2012 PDOP Reading: 1.9 Instrument Operator's Name: Adam Kelly

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  
500 FNL 2335 FWL 500 FSL 2335 FWL  
Sec: 7 Twp: 6N Rng: 66W Sec: 7 Twp: 6N 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: 296 ft

18. Distance to nearest property line: 1 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 593 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               | NBRR           |                         | 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#: 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):

Wellbore goes through several leases, mineral lease map attached.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 344

### 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       | 9+5/8          | 36    | 0             | 875           | 730       | 875     | 0       |
| 1ST         | 8+3/4        | 7              | 26    | 7745          | 650           | 7,745     | 650     | 600     |
| 1ST LINER   | 6+1/8        | 4+1/2          | 11.6  | 6532          | 11,893        |           |         |         |

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

33. Comments Conductor casing will not be used. Operator requests an exception location per rule 318Aa, rule 318Ac, rule 603a2: well will not be drilled in a legal drilling window, twinned with an existing well, and will be closer than 150' to the nearest property line. HKS enterprise is the offset property owner as well as the surface property owner. Waviers attached. Per rule 318Ae, the Operator requests the proposed spacing unit consisting of 160 acres, E2W2 of Sec 7 T6N R66W. Proposed spacing unit map and 30-day certificate is 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: Regulatory Analyst

Date: 9/21/2012

Email: liz.lindow@pdce.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: 11/15/2012

#### API NUMBER

05 123 36296 00

Permit Number: \_\_\_\_\_ Expiration Date: 11/14/2014

#### 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.

Operator must meet Water Well Testing requirements as per amended Rule 318Ae(4)

1)Provide notice of MIRU via an electronic Form 42.

2)Comply with Rule 317.i and provide cement coverage from the 7" casing TD to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.

**Attached COGCC Policies and Notice to Operator**

| No | Policy  |
|----|---|
| 1  | Notice Concerning Operating Requirements for Wildlife Protection. |

**Attachment Check List**

| Att Doc Num | Name                   |
|-------------|------------------------|
| 400324094   | FORM 2 SUBMITTED       |
| 400328428   | DEVIATED DRILLING PLAN |
| 400328429   | WELL LOCATION PLAT     |
| 400328430   | MINERAL LEASE MAP      |
| 400328431   | 30 DAY NOTICE LETTER   |
| 400328432   | EXCEPTION LOC WAIVERS  |
| 400328552   | DIRECTIONAL DATA       |
| 400328556   | PROPOSED SPACING UNIT  |
| 400328557   | EXCEPTION LOC REQUEST  |
| 400329429   | EXCEPTION LOC WAIVERS  |

Total Attach: 10 Files

**General Comments**

| <u>User Group</u> | <u>Comment</u>   | <u>Comment Date</u>      |
|-------------------|--|--------------------------|
| Permit            | Final Review complete.   | 11/14/2012<br>4:06:50 PM |
| Permit            | Horizontal well crosses lease lines within GWA horizontal wellbore unit; distance to lease line is 0'; distance to unit boundary is 500'.  | 10/9/2012<br>3:42:55 PM  |
| Engineer          | Evaluated offset wells for adequate cement coverage.   | 10/1/2012<br>11:06:06 AM |
| Permit            | Operator 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 existing well location. Request and waivers attached.<br>Operator requests approval of a Rule 603.a.(2) exception location: Wellhead is to be located less than 150' from a property line. Request letter and waivers attached.<br>HKS enterprise is the offset property owner as well as the surface property owner.<br><br>Ready to pass pending submittal of 2A and public comment period. | 9/28/2012<br>10:29:51 AM |

Total: 4 comment(s)

**BMP**

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
|             |                |

Total: 0 comment(s)