

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: 7E-203
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 11981

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 6 Twp: 6N Rng: 66W Meridian: 6
Latitude: 40.509850 Longitude: -104.828340
Footage at Surface: 310 feet FSL 1098 feet FWL
11. Field Name: Eaton Field Number: 19350
12. Ground Elevation: 4892 13. County: WELD

14. GPS Data:
Date of Measurement: 06/06/2012 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 200 FWL 500 FSL 200 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): 669 ft

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		320	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):

See attached mineral lease map.

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	0	7,667	650	7,667	600
1ST LINER	6+1/8	4+1/2	11.6	6461	11,981			

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 and rule 603a2: well will not be drilled in a legal drilling window, not twinned with an existing well, and will be closer than 150' to the nearest property line. Waviers attached. Per rule 318Ae, the Operator requests the proposed spacing unit consisting of 320 acres, W2W2 of Sec 7 T6N R66W and the E2E2 of Sec 12 T6N R67W. 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: 10/24/2012 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: Matthew Lee Director of COGCC Date: 11/29/2012

API NUMBER **05 123 36330 00** Permit Number: _____ Expiration Date: 11/28/2014

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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400324049	FORM 2 SUBMITTED
400327200	DEVIATED DRILLING PLAN
400327201	WELL LOCATION PLAT
400327202	MINERAL LEASE MAP
400327203	30 DAY NOTICE LETTER
400327204	DIRECTIONAL DATA
400327205	EXCEPTION LOC WAIVERS
400328538	PROPOSED SPACING UNIT
400328539	EXCEPTION LOC REQUEST
400329299	EXCEPTION LOC WAIVERS

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected the longitude on the permit as per opr.	11/28/2012 10:48:49 AM
Final Review	Final Review-placed ON HOLD. Proposed well location has same SHL lat/lon as 7E-423 (API# 05-123-36301) approved 11/15/12.	11/20/2012 5:50:13 AM
Engineer	Evaluated offset wells for adequate cement coverage.	11/8/2012 10:10:43 AM
Permit	Corrected well name spelling as per opr.	11/7/2012 10:55:51 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. 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. Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 500'. Ready to pass pending public comment 11/16/12.	10/26/2012 1:36:17 PM
Permit	operator corrected SHL to correspond with plat. This form passed completeness.	10/26/2012 9:58:08 AM
Permit	Return to draft: 1. question no. 10, SHL footage (1128' FWL) does not match well location plat (1098' FWL).	10/25/2012 1:36:25 PM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)