

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:

400352120

Date Received:

12/04/2012

PluggingBond SuretyID

20030009

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: NOBLE ENERGY INC

4. COGCC Operator Number: 100322

5. Address: 1625 BROADWAY STE 2200

City: DENVER State: CO Zip: 80202

6. Contact Name: SUSAN MILLER Phone: (303)228-4246 Fax: (303)228-4286

Email: smiller@nobleenergyinc.com

7. Well Name: KEOTA PC Well Number: LB26-62HN

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

9. Proposed Total Measured Depth: 10706

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 27 Twp: 9N Rng: 60W Meridian: 6

Latitude: 40.717364 Longitude: -104.069986

Footage at Surface: 1282 feet FNL/FSL 350 feet FEL/FWL
FSL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4949 13. County: WELD

14. GPS Data:

Date of Measurement: 07/31/2012 PDOP Reading: 2.4 Instrument Operator's Name: Robert Kay

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
656 FSL 660 FWL 660 FSL 660 FEL
Sec: 26 Twp: 9N Rng: 60W Sec: 26 Twp: 9N Rng: 60W

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: 340 ft

18. Distance to nearest property line: 350 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1306 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	535-3	640	All Section 26

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 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):

Section 26: SESE, Township 9 North, Range 60 West and other lands.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 2604

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
CONDUCTOR	18+1/2	16		0	100	6	100	0
SURF	13+3/4	9+5/8	36	0	620	270	620	0
1ST	8+3/4	7	26	0	6,739	460	6,739	0
1ST LINER	6+1/8	4+1/2	11.6	6589	10,706	0	0	0

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

33. Comments First string top of cement will be a least 200' above the Niobrara formation. The production liner will be hung off inside of the 7" casing. This is a 2-well pad which includes: Keota PC LB26-62HN (REF) and Keota Federal LB34-72HN. Please see 2A doc. no. 400352141 for pad location. The nearest well permitted/completed in same formation is the permitted Shull 35-11-9-60, API No. 05-123-34032, located 1306' south of the well being permitted (top of producing zone to top of producing zone). Please note, a sundry notice requesting abandonment of Noble's Five Well Draw 14-26H permit, API No. 05-123-33157, was submitted 12/3/12 due to permit being in conflict with the subject location, which is spaced on 640 acres, 1 horizontal well, under Order No. 535-3. Please see attached Surface Use Agreement.

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: SUSAN MILLER

Title: Regulatory Analyst III Date: 12/4/2012 Email: smiller@nobleenergyinc.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: 1/11/2013

API NUMBER

05 123 36549 00

Permit Number: _____ Expiration Date: 1/10/2015

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 spud via electronic Form 42.
- 2) Set at least 620' of surface casing. Cement to surface.
- 3) Provide cement coverage from base of intermediate casing 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. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2233258	EXCEPTION LOC REQUEST
2544875	SURFACE CASING CHECK
400352120	FORM 2 SUBMITTED
400352131	30 DAY NOTICE LETTER
400352133	EXCEPTION LOC WAIVERS
400353242	WELL LOCATION PLAT
400353245	DEVIATED DRILLING PLAN
400353559	DIRECTIONAL DATA
400354016	SURFACE AGRMT/SURETY

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	1/9/2013 6:45:05 AM
Permit	Per operator attached exception location letter and removed variance request.	1/7/2013 7:31:10 AM
Permit	On hold pending exception location request and letter.	12/31/2012 7:49:42 AM
Engineer	No existing wells within 500' of proposed directional.	12/18/2012 4:59:28 PM
Permit	Initial review complete. Form will need exception location request and waiver. Discussions ongoing with Noble.	12/10/2012 1:23:38 PM
Permit	Horizontal wellbore crosses lease line. Distance to nearest lease line is 0 feet, distance to nearest unit/pooling boundary is 656 feet.	12/10/2012 1:19:55 PM
Permit	This form passed completeness.	12/6/2012 10:19:48 PM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Material Handling and Spill Prevention	Spill Prevention Control and Countermeasures (SPCC) plans are in place to address any possible spill associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR 112.
Drilling/Completion Operations	<p>Anti-collision: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys 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 will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.</p> <p>During and Post stimulation: Noble Energy Inc. will comply with the COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated 5/29/12.</p>
Storm Water/Erosion Control	Stormwater management plans (SWMP) are in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE) and General Permit No. COR-038637. BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. BMP's used will vary according to the location and will remain in place until the pad reaches final reclamation.
General Housekeeping	General housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur, prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup of trash and discarded materials will be conducted at the end of each work day. Cleanup will consist of patrolling the roadway, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.

Total: 4 comment(s)