

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:

400387238

Date Received:

03/04/2013

PluggingBond SuretyID

20010124

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: KERR-MCGEE OIL & GAS ONSHORE LP

4. COGCC Operator Number: 47120

5. Address: P O BOX 173779

City: DENVER State: CO Zip: 80217-3779

6. Contact Name: Cheryl Light Phone: (720)929-6461 Fax: (720)929-7461

Email: cheryl.light@anadarko.com

7. Well Name: SPARBOE Well Number: 1N-26HZX

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

9. Proposed Total Measured Depth: 17027

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 35 Twp: 2N Rng: 65W Meridian: 6

Latitude: 40.088609 Longitude: -104.624654

Footage at Surface: 399 feet FNL/FSL 889 feet FEL/FWL
 FSL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4946 13. County: WELD

14. GPS Data:

Date of Measurement: 05/08/2012 PDOP Reading: 2.3 Instrument Operator's Name: SHAUN LEE

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
 634 FSL 681 FEL 460 FNL 681 FEL
 Sec: 35 Twp: 2N Rng: 65W Sec: 26 Twp: 2N Rng: 65W

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: 455 ft

18. Distance to nearest property line: 358 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 64 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		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):

Horizontal wellbore will produce from multiple leases/T2N-R65W SEC 26 SE/4; T2N-R65W SEC 35 E/2

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 480

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	1,836	620	1,836	0
1ST	8+3/4	7	26	0	7,362	630	7,352	0
1ST LINER	6+1/8	4+1/2	11.6	6314	17,027			

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

33. Comments No conductor casing will be used. Unit Configuration NBRR: Sec. 35:E/2E/2; Sec. 26:E/2E/2. Kerr-McGee Oil & Gas Onshore LP ("KMG") respectfully requests the Director to waive Rule 318A.m for this well. KMG is the operator of the encroached upon well(s). The surface location of this well is an exception to Rule 318A.a and to Rule 318A.c. This well is not within the GWA surface location window and does not meet the twinning requirement 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. We met with Koch who has the lease on the NE/4 of T2N-R65W Section 26 and they requested that we BH this well on their acreage and allow them to participate in the well. This well is being permitted to replace the unplanned sidetrack/Verbal notification to Diana Burn @8:31 AM - Approved 12:32 PM on 03/01/13

34. Location ID: 430669

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: 3/4/2013 Email: DJREGULATORY@ANADARK

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: 3/15/2013

API NUMBER

05 123 36245 01

Permit Number: _____ Expiration Date: 3/14/2015

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400387238	FORM 2 SUBMITTED
400387252	WELL LOCATION PLAT
400387255	DEVIATED DRILLING PLAN
400387256	OTHER
400387454	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	Surface casing check on file is still valid and surface casing depth is adequate.	3/4/2013 3:26:52 PM
Engineer	Evaluated offset wells for adequate cement coverage.	3/4/2013 3:26:21 PM
Permit	Directional data corrected. Ready to pass completeness.	3/4/2013 2:18:24 PM
Permit	Returned to draft. Directional data does not match deviated drilling plan.	3/4/2013 11:36:39 AM
Permit	Returned to draft for directional data and comments. Unplanned sidetrack: Well was kicked off at the wrong AZIMUTH due to MWD error. An attempt to correct AZIMUTH was unsuccessful and the curve cannot be correctly landed at this time. Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 460'.	3/4/2013 11:03:26 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>"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</p> <p>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."</p> <p>At the time of permitting; the operator has identified the following well(s) as being within close proximity of the proposed well: SPARBOE 1N-26HZ: - SPARBOE 9-35A</p>
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)