

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:

400348020

Date Received:

02/07/2013

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: WELLS RANCH USX Well Number: AA23-66-1HN

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

9. Proposed Total Measured Depth: 11048

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 24 Twp: 6N Rng: 63W Meridian: 6

Latitude: 40.473390 Longitude: -104.394180

Footage at Surface: 2149 feet FNL/FSL 74 feet FEL/FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4808 13. County: WELD

14. GPS Data:

Date of Measurement: 06/21/2012 PDOP Reading: 1.5 Instrument Operator's Name: Brian Brinkman

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
2310 FNL 726 FEL 2310 FNL 535 FWL
Sec: 23 Twp: 6N Rng: 63W Sec: 23 Twp: 6N Rng: 63W

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: 2135 ft

18. Distance to nearest property line: 74 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 330 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 ☐ 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):

T6N-R63W Sec 23: All

25. Distance to Nearest Mineral Lease Line: 535 ft

26. Total Acres in Lease: 640

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 | 585 | 290 | 585 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 7,000 | 480 | 7,000 | 0 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6850 | 11,048 | | | |

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

33. Comments First string top of cement will be 200' above the Niobrara formation. The production liner will be hung off inside of the 7" casing. This is a 4-well pad which includes: Wells Ranch USX AA23-67-1HN, Wells Ranch USX AA23-66-1HN, Wells Ranch USX AA23-65HN, Wells Ranch USX AA23-65-1HN (REF). Please see 2A doc. no. 400346924 for pad location. The nearest well permitted/completed in same formation is the proposed Wells Ranch USX AA23-65HN, located 330' south of the well being permitted. Operator requests approval of Rule 603.a.(2) exception location for well location 74' from nearest property line, request letter and signed waiver attached. Unit Configuration: N/2S/2, S/2N/2 Sec. 23, T6N-R63W.

34. Location ID: 429615

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: 2/7/2013

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: _____

Director of COGCC

Date: 3/19/2013

API NUMBER

05 123 37024 00

Permit Number: _____

Expiration Date: 3/18/2015

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 prior to spud via electronic Form 42.
- 2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) 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.

Operator must meet water well testing requirements per Rule 318A.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 2233869 | OTHER |
| 2233910 | SURFACE AGRMT/SURETY |
| 2485723 | SURFACE CASING CHECK |
| 400348020 | APD APPROVED |
| 400348102 | 30 DAY NOTICE LETTER |
| 400348103 | EXCEPTION LOC REQUEST |
| 400348104 | EXCEPTION LOC WAIVERS |
| 400348105 | EXCEPTION LOC WAIVERS |
| 400348106 | EXCEPTION LOC REQUEST |
| 400376987 | WELL LOCATION PLAT |
| 400376989 | DEVIATED DRILLING PLAN |
| 400376990 | DIRECTIONAL DATA |
| 400379018 | PROPOSED SPACING UNIT |
| 400379020 | PROPOSED SPACING UNIT |
| 400379022 | PROPOSED SPACING UNIT |
| 400392969 | FORM 2 SUBMITTED |
| 400401553 | APD APPROVED |
| 400401567 | APD APPROVED |

Total Attach: 18 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| Permit | Per operator attached updated SUA. | 3/18/2013 9:08:37 AM |
| Permit | Per operator corrected mineral lease description. Final Review Completed. No LGD or public comment received. | 3/11/2013 6:20:41 AM |
| Permit | Ok to pass when minerals information corrected. | 3/4/2013 1:05:11 PM |
| Engineer | Evaluated existing wells within 500' of proposed directional. | 2/20/2013 8:19:45 AM |
| Permit | Per operator corrected distance to nearest road. | 2/13/2013 9:54:30 AM |
| Permit | 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. | 2/13/2013 8:06:40 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. | 2/13/2013 8:06:39 AM |
| Permit | Initial review complete. | 2/13/2013 8:06:38 AM |
| Permit | This form has passed completeness. | 2/8/2013 12:22:57 PM |

Total: 9 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. |
| 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. |
| 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> |
| 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)