

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:

400383450

Date Received:

02/27/2013

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: Julie Webb Phone: (303)831-3974 Fax: ()

Email: julie.webb@pdce.com

7. Well Name: Diana Well Number: 6T-241

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

9. Proposed Total Measured Depth: 11471

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 6 Twp: 6N Rng: 65W Meridian: 6

Latitude: 40.510570 Longitude: -104.703530

Footage at Surface: 257 feet FNL/FSL 1856 feet FEL/FWL FEL

11. Field Name: Eaton Field Number: 19350

12. Ground Elevation: 4795 13. County: WELD

14. GPS Data:

Date of Measurement: 11/09/2012 PDOP Reading: 2.2 Instrument Operator's Name: Brian Rottinghaus

15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 816 FSL 1755 FEL 500 FEL/FWL 1756 FEL 500
Sec: 6 Twp: 6N Rng: 65W Sec: 6 Twp: 6N 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: 225 ft

18. Distance to nearest property line: 181 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 667 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):

Sec 6 T6N R65W SE/4: See attached mineral lease map. Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 793'.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 82

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	830	875	0
1ST	8+3/4	7	26	0	7,491	650	7,491	500
1ST LINER	6+1/8	4+1/2	11.6	6289	11,471			

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

33. Comments 7" casing string will be cemented to at least 200' above Niobrara, around 500' from surface. CBL will only be run in the vertical section of the wellbore. Conductor casing will not be used. Operator requests an exception location per rule 318Aa and rule 318Ac: well will not be drilled in a legal drilling window or twinned with an existing well. Waivers attached. Per rule 318Ae, the Operator requests the proposed spacing unit consisting of 320 acres, E2 of Sec 6 T6N R65W. 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: Julie Webb

Title: Regulatory Analyst

Date: 2/27/2013

Email: julie.webb@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: 4/12/2013

API NUMBER

05 123 37122 00

Permit Number: _____

Expiration Date: 4/11/2015

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.

Operator acknowledges the proximity of the Harsh #2 (API# 123-12565) well. Operator agrees to: provide one of the six mitigation options (per the Interim Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic fracture treatment of this well.

On Wed, Mar 6, 2013 at 8:46 AM, Julie Webb wrote:
Ryan,

I acknowledge the COA, and I will pass the information on.

Thank you,
Julie Webb, Regulatory Analyst

- 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
2482245	SURFACE CASING CHECK
400383450	FORM 2 SUBMITTED
400383455	DIRECTIONAL DATA
400383456	DEVIATED DRILLING PLAN
400383459	PLAT
400385535	30 DAY NOTICE LETTER
400385540	PROPOSED SPACING UNIT
400385702	EXCEPTION LOC REQUEST
400385704	MINERAL LEASE MAP
400385705	EXCEPTION LOC WAIVERS

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Property line is to the west per operator. Distance is good. Operator accepted Diana 6T 221 as closest well at 667' Ready to pass.	3/27/2013 9:48:39 AM
Permit	Changed distance to unit boundary from 793' to 498'. Asked operator to clarify property line at 151'. Closest well in the formation looks like Diana 6T 221 at 667'.	3/6/2013 2:54:44 PM
Engineer	Evaluated offset wells for adequate cement coverage.	3/4/2013 10:07:34 AM
Permit	Passed completeness.	2/28/2013 12:45:46 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. The Colorado Oil and Gas Conservation Commission (COGCC) has established this Policy Regarding Bradenhead Monitoring During Hydraulic Fracturing Treatments ("Treatment") in the Greater Wattenberg Area ("GWA") pursuant to COGCC 207.a. ("Policy"). This Policy applies to oil and gas operations in the GWA as defined by the COGCC Rules of Practice and Procedure.

Total: 1 comment(s)