

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:

400417793

Date Received:

05/16/2013

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: LAUREN KUCERA Phone: (720)929-6107 Fax: (720)929-7107

Email: lauren.kucera@anadarko.com

7. Well Name: EISENACH FEDERAL Well Number: 5N-8HZ

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

9. Proposed Total Measured Depth: 12057

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 8 Twp: 3N Rng: 66W Meridian: 6

Latitude: 40.241571 Longitude: -104.793006

Footage at Surface: 1808 feet FNL/FSL 305 feet FEL/FWL
 FNL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4826 13. County: WELD

14. GPS Data:

Date of Measurement: 01/07/2013 PDOP Reading: 1.7 Instrument Operator's Name: BEN HARDENBERGH

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
 1685 FNL 651 FEL 1685 FNL 1 FWL
 Sec: 8 Twp: 3N Rng: 66W Sec: 8 Twp: 3N 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: 274 ft

18. Distance to nearest property line: 274 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 125 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		400	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):

See Attached Lease Descriptions. Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is greater than 460'.

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	637	280	637	0
1ST	8+3/4	7	26	0	7,458	760	7,458	0
1ST LINER	6+1/8	4+1/2	11.6	6431	12,057			

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

33. Comments No conductor casing will be used. Unit Configuration: T3N R66W SEC. 7: E2NE, SEC. 8: N2. 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. 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 wells.

34. Location ID: 327738

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: LAUREN KUCERA

Title: REGULATORY ANALYST II

Date: 5/16/2013

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: _____

Director of COGCC

Date: 6/13/2013

API NUMBER

05 123 37574 00

Permit Number: _____

Expiration Date: 6/12/2015

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 Raymond Preston Gas Unit #1 (API# 123-08242) 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 stimulation of this well.

From: Kucera, Lauren
Date: Thu, May 30, 2013 at 8:42 AM
Subject: RE: Eisenach Federal #5N-8HZ (doc# 400417793)
To: "Hollinshead - DNR, Ryan"

Good morning Ryan,

Kerr-McGee agrees to the proposed COA mentioned below.

Thank you,

Lauren Kucera
Regulatory Affairs – Rockies GWA

- 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.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num	Name
2114087	OFFSET WELL EVALUATION
2114088	OTHER
400417793	FORM 2 SUBMITTED
400417803	30 DAY NOTICE LETTER
400417804	WELL LOCATION PLAT
400417805	SURFACE AGRMT/SURETY
400417807	EXCEPTION LOC WAIVERS
400417810	EXCEPTION LOC REQUEST
400417812	OTHER
400417998	PROPOSED SPACING UNIT
400418800	DEVIATED DRILLING PLAN
400418801	DIRECTIONAL DATA
400418881	LEGAL/LEASE DESCRIPTION
400419759	VARIANCE REQUEST

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator sent revised Offset Well Evaluation sheet to replace original which had inaccuracies. Recorded Exemption map (attached as OTHER) detailing the lot cited in Surface Use Agreement received and attached. SUA does cover the surface location. Ready to pass pending public comment.	5/31/2013 10:25:29 AM
Engineer	Evaluated offset wells for adequate isolation.	5/29/2013 10:53:04 AM
Permit	Added location ID line 34. Corrected to line 23 comment to read "distance to unit boundary is greater than 460'." Requested a more complete lease description or a lease map that will clarify whether the surface agreement covers the surface location. Raymond Preston Gas Unit 1 does not need to be on the Variance Request. It is a J Sand producer and only permitted in the J Sand.	5/28/2013 1:28:10 PM
Permit	Passed completeness.	5/17/2013 8:59:11 AM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
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.
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 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: RAYMOND PRESTON GAS UNIT #1, HSR-TUTTLE #6-8</p>

Total: 2 comment(s)