

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:

400405581

Date Received:

05/10/2013

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: Liz Lindow Phone: (303)831-3974 Fax: ()

Email: liz.lindow@pdce.com

7. Well Name: Anderson Well Number: 34E-223

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

9. Proposed Total Measured Depth: 11705

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 34 Twp: 7N Rng: 66W Meridian: 6

Latitude: 40.537940 Longitude: -104.772240

Footage at Surface: 253 feet FNL 546 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4930 13. County: WELD

14. GPS Data:

Date of Measurement: 03/28/2013 PDOP Reading: 1.8 Instrument Operator's Name: Tom Carlson

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

Footage at Top of Prod Zone: 794 FNL 335 FWL Bottom Hole: 500 FSL 510 FWL
Sec: 34 Twp: 7N Rng: 66W Sec: 34 Twp: 7N 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: 226 ft

18. Distance to nearest property line: 223 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 316 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):

NWNW Sec 34 T7N R66W. Horizontal wellbore crosses lease lines within drilling and spacing unit; distance to lease line is 0'; distance to unit boundary is 500'.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 40

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	890	830	890	0
1ST	8+3/4	7	26	0	7,701	650	7,701	500
1ST LINER	6+1/8	4+1/2	11.6	6493	11,704			

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, E2E2 Sec 33 and W2W2 of Sec 34 T7N R34W. Proposed spacing unit map and 30-day certificate is attached. Distance to nearest well measured to Anderson 13-34 via the Anti-Collision Report in the Deviated Drilling plan.

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: Liz Lindow

Title: Regulatory Analyst Date: 5/10/2013 Email: liz.lindow@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: Matthew Lee Director of COGCC Date: 6/28/2013

API NUMBER

05 123 37635 00

Permit Number: _____ Expiration Date: 6/27/2015

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) Note surface casing setting depth change from 875' to 890'. Increase cement coverage accordingly and cement to surface.
- 2) Provide notice of MIRU via an electronic Form 42.
- 3) 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.

Operator acknowledges the proximity of the Anderson #1-34 (API# 123-11266) 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.

Hi Ryan,

PDC concurs with the COA below.

Thank you,
Liz

Liz Lindow | Regulatory Analyst | PDC Energy | O: 303-831-3974 | F: 303-860-5838 | liz.lindow@pdce.com

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

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
2114148	PROPOSED SPACING UNIT
2482405	SURFACE CASING CHECK
400405581	FORM 2 SUBMITTED
400415534	PLAT
400415535	DEVIATED DRILLING PLAN
400415538	DIRECTIONAL DATA
400415539	OFFSET WELL EVALUATION
400415540	EXCEPTION LOC REQUEST
400415541	30 DAY NOTICE LETTER
400415542	EXCEPTION LOC WAIVERS

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected TPZ footage to FNL. Received and attached revised Proposed Spacing Unit. Unit Acreage is 320. Corrected unit description in opr comment. Ready to pass.	6/27/2013 8:12:53 AM
Permit	Operator requested that this document not be passed for now. WO 30 day certification or waiver.	5/31/2013 11:44:23 AM
Engineer	Evaluated offset wells for adequate isolation.	5/24/2013 12:26:57 PM
Permit	Operator corrected TPZ to 355 FWL. Still need to correct PSU.	5/22/2013 3:18:48 PM
Permit	Changed field name to Wattenberg. TPZ calculate to 355 FWL. Too close to west edge of Proposed Spacing Unit.	5/22/2013 8:26:34 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>