

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



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07/01/2013

PluggingBond SuretyID

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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: HARRIS FEDERAL Well Number: 36N-E18HZ

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

9. Proposed Total Measured Depth: 16321

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 19 Twp: 3N Rng: 66W Meridian: 6

Latitude: 40.204868 Longitude: -104.817123

Footage at Surface: 712 feet FNL/FSL 1803 feet FEL/FWL
 FSL FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4832 13. County: WELD

14. GPS Data:

Date of Measurement: 03/18/2013 PDOP Reading: 1.5 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
 1292 FSL 2305 FEL 400 FNL 2305 FEL
 Sec: 19 Twp: 3N Rng: 66W Sec: 18 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: 688 ft

18. Distance to nearest property line: 237 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 14 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		720	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 DESCRIPTION. HORIZONTAL WELLBORE CORSESSES LEASE LINES WITHIN DRILLING AND SPACING UNIT, DISTANCE TO LEASE LINE IS 0' DISTANCE TO UNIT BOUNDARY IS >460'.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 510

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	569	250	569	0
1ST	8+3/4	7+0/0	26	0	7,455	760	7,455	0
1ST LINER	6+1/8	4+1/2	11.6	6557	16,321			

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

33. Comments No conductor casing will be used./Unit Configuration: SECTION 7: SE/4SW/4; SW/4SE/4; SECTION 18 E/2W/2; W/2E/2, SECTION 19: E/2W/2; W/2E/2/The surface location of this well is an exception to Rule 318A.a. 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 well(s).Operator intends to use an oil based drilling fluid during drilling of the lateral section of the wellbore. Cuttings will be processed on location and further remediated in our land farm and/or disposed of at a commercial waste disposal facility. The drilling fluid will be returned to the vendor and/or disposed at a commercial waste disposal facility.

34. Location ID: 329567

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: 7/1/2013

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: 7/26/2013

API NUMBER

05 123 37762 00

Permit Number: _____ Expiration Date: 7/25/2015

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 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 and from 200' below Sussex to 200' above Sussex. Verify cement coverage with a cement bond log per 317.o.

Operator acknowledges the proximity of the Maude Anderson Gas Unit #1 (API# 123-08231) well. Operator agrees to: provide mitigation option 1, 2 or 3 (per the DJ Basin 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2167050	EXCEPTION LOC REQUEST
400440931	FORM 2 SUBMITTED
400441125	OFFSET WELL EVALUATION
400441126	VARIANCE REQUEST
400441132	PROPOSED SPACING UNIT
400441135	30 DAY NOTICE LETTER
400441136	SURFACE AGRMT/SURETY
400441137	DEVIATED DRILLING PLAN
400441138	EXCEPTION LOC WAIVERS
400441139	WELL LOCATION PLAT
400441145	OTHER
400441146	DIRECTIONAL DATA
400441147	LEGAL/LEASE DESCRIPTION

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	According to the operator the well is not on a BLM lease even though they are spacing in Federal Minerals. The leases that the well bore crosses are Fee. Final review complete.	7/24/2013 9:25:14 AM
Permit	Attached a corrected Exception Loc Request letter (Without Twinning). 30 Day Notice and waiver will not be replaced. Opr states that some wells have been removed from drilling plans and this location will have two wells.	7/10/2013 7:35:11 AM
Permit	The attached 30 day notice letter and waiver letter showing four wells on this pad when the 2A only has two. Checking with Opr. Exception for Twinning Rule is invalid due to prd well on same pad.	7/9/2013 11:23:19 AM
Engineer	Evaluated offset wells for adequate isolation.	7/9/2013 10:26:28 AM
Permit	This form has passed completeness.	7/2/2013 10:00:32 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 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: PLATTEVILLE 23-19A PLATTEVILLE 22-19 HSR OLIN 15-19</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)