

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: 34J-323

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

9. Proposed Total Measured Depth: 11842

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 34 Twp: 7N Rng: 66W Meridian: 6
Latitude: 40.537730 Longitude: -104.765690

Footage at Surface: 346 feet FNL 2371 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4915 13. County: WELD

14. GPS Data:

Date of Measurement: 03/28/2013 PDOP Reading: 1.6 Instrument Operator's Name: Tom Carlson

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
824 FNL 1437 FWL 500 FSL 1610 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: 333 ft

18. Distance to nearest property line: 316 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 53 ft

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):

NENW of Sec 34 T7N R66W: Horizontal wellbore crosses multiple lease lines within drilling and spacing unit. Distance to mineral lease line is 0'. Distance to unit boundary is 500'.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 30

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
1ST	8+3/4	7	26	0	7838	650	7838	500
1ST LINER	6+1/8	4+1/2	11.6	6629	11842			
SURF	12+1/4	9+5/8	36	0	875	830	875	0

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, W2 of Sec 34 T7N R66W. Proposed spacing unit map and 30-day certificate is attached. Distance to nearest well measured by Anti-Collision Report in the Deviated Directional 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: 6/14/2013 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: 8/9/2013

API NUMBER
05 123 37802 00

Permit Number: _____ Expiration Date: 8/8/2015

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.

COA Type	Description
	Operator must meet water well testing requirements per Rule 318A.
	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.
	Operator acknowledges the proximity of the Anderson #1 API# 123-05301 and Anderson #1-34 API# 123-11266 wells. 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.

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

Attachment Check List

Att Doc Num	Name
2114154	LEASE MAP
400405552	FORM 2 SUBMITTED
400409180	PROPOSED SPACING UNIT
400409184	WELL LOCATION PLAT
400409185	VARIANCE REQUEST
400420971	30 DAY NOTICE LETTER
400420972	EXCEPTION LOC REQUEST
400420974	EXCEPTION LOC WAIVERS
400420976	DEVIATED DRILLING PLAN
400420979	DIRECTIONAL DATA
400433795	OFFSET WELL EVALUATION

Total Attach: 11 Files

General Comments

User Group	Comment	Comment Date
Engineer	Evaluated offset wells for adequate isolation.	7/2/2013 7:27:03 AM
Permit	Received lease map showing NENW of the section is 30 acres due to irregularity of section (see attached map). Operator requests approval of a Rule 318Am exception location: Wellbore is to be located less than 150' from an existing wellbore. Request and waivers attached. Ready to pass pending public comment.	7/1/2013 1:37:21 PM
Permit	Lease description does not match 30 acres. Requested more complete description lease. Changed field name to Wattenberg.	6/24/2013 3:00:37 PM
Permit	Form passes completeness.	6/17/2013 9:42:18 AM

Total: 4 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	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.

Total: 1 comment(s)