

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:

400445487

Date Received:

07/25/2013

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: LOCHBUIE Well Number: 4C-13HZ

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

9. Proposed Total Measured Depth: 12169

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 13 Twp: 1N Rng: 66W Meridian: 6

Latitude: 40.045454 Longitude: -104.732725

Footage at Surface: 550 feet FNL/FSL 603 feet FEL/FWL
 FSL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5079 13. County: WELD

14. GPS Data:

Date of Measurement: 11/06/2012 PDOP Reading: 1.4 Instrument Operator's Name: BART PFEIFER

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
 460 FSL 1530 FWL 460 FNL 1530 FWL
 Sec: 13 Twp: 1N Rng: 66W Sec: 13 Twp: 1N 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: 519 ft

18. Distance to nearest property line: 529 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1200 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.)
CODELL	CODL		320	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. KMG is working to obtain a surface use agreement. The SUA will be sent once fully executed.

25. Distance to Nearest Mineral Lease Line: 460 ft

26. Total Acres in Lease: 5737

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	1250	380	1250	0
1ST	8+3/4	7	26	0	7972	850	7972	0
1ST LINER	6+1/8	4+1/2	11.6	6905	12338			

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

33. Comments No conductor casing will be used. Unit Configuration: 1N-66W-Sec 13:W2. Operator will run open hole logs into the surface casing on the first well drilled on this pad.

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: LAUREN KUCERA

Title: REGULATORY ANALYST II

Date: 7/25/2013

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: 9/27/2013

API NUMBER

05 123 38171 00

Permit Number: _____ Expiration Date: 9/26/2015

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.

Description

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

- 1) Note surface casing depth change from 1000' to 1250'. Increase cement volumes accordingly.
- 2) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Operator acknowledges the proximity of the non-operated 1 Mathews API # 123-07177 well. Operator assures that this offset will be remediated per the DJ Basin Horizontal Offset Policy (options 1,2 or 3) or operator will address this well with mitigation option 4. Operator will 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

<u>Att Doc Num</u>	<u>Name</u>
2114295	SURFACE AGRMT/SURETY
2114300	WELL LOCATION PLAT
2114301	DEVIATED DRILLING PLAN
2114306	PROPOSED SPACING UNIT
400445487	FORM 2 SUBMITTED
400445505	LEGAL/LEASE DESCRIPTION
400445509	OTHER
400449549	30 DAY NOTICE LETTER
400456582	OFFSET WELL EVALUATION
400485504	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	SHL moved by operator. Attached new Deviated Drilling Plan, directional data and plat. No changes to cement and casing per operator. Corrected cultural information and measured depth. Attached Proposed Spacing Unit attachment with corrected SHL. Ready to pass.	9/25/2013 11:52:22 AM
Permit	SUA received and attached. Bond information removed.	9/20/2013 7:57:44 AM
Permit	Distance to nearest well in same formation is 1200', Lochbuie 30C-13HZ. Ok's by operator. WO SUA Otherwise, ready to pass pending public comment.	8/19/2013 1:48:02 PM
Permit	Form passes completeness.	7/30/2013 3:35:02 PM
Permit	Using a bond yet have and refer to mineral lease, but didn't put bond number in form. Back to draft.	7/26/2013 3:30:18 PM

Total: 5 comment(s)

Best Management Practices

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

Total: 2 comment(s)