

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

NESE of Section 22 (5N-65W)

Total Acres in Described Lease: 40 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 425 Feet

Building Unit: 533 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 558 Feet

Above Ground Utility: 462 Feet

Railroad: 5280 Feet

Property Line: 195 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).

- Enter 5280 for distance greater than 1 mile.

- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.

- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit

- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.

- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 260 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 484 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

NESE and SENE of Sec. 22 and N2S2 and S2N2 of Sec. 23 T5N R65W

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		400	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 12682 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 260 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Drill cuttings will be land applied at PDC spread fields with COGCC Facility ID 425112, 429629, 430649, 431183, or 434889.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

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	928	850	928	0
1ST	8+3/4	7	26	0	7460	650	7460	500
1ST LINER	6+1/8	4+1/2	13.5	5847	12682			

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments The form 2 is being submitted for and unplanned sidetrack on 3/8/2014.
 After completing the curve and POH with directional tools it was noticed bit and bottom of mud motor parted and stayed in the well. The decision was made to plug back and sidetrack instead of fishing due to hole angle and depth risk of not obtaining fish was too high.
 TD prior to sidetrack 7328'.
 Casing 7', MD 7328'.
 Fish in hole Motor stator and bit box, motor bearing pack, 8 3/4" bit 7297'-7328' MD.
 Plug 1, 6821'-7321' Pumped 200 sks, 15.8ppg, 1.41 yield. Plug 2 6221'-6821' Pumped 300 sks, 17.5ppg, 1.27 yield
 Proposed kick off depth 6103'.
 Objective formation is the same as the approved permit (Codell)
 BHL will be the same as the Approved permit; new plat is not required
 Email approval from Diana Burn 3/28/14.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? _____ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Julie Webb

Title: Regulatory Analyst Date: 3/26/2014 Email: julie.webb@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: 4/8/2014

Expiration Date: 04/07/2016

API NUMBER
05 123 37799 01

Conditions Of Approval

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
	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.

Best Management Practices

No BMP/COA Type	Description

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
2114578	WELLBORE DIAGRAM
2114579	CORRESPONDENCE
400578675	FORM 2 SUBMITTED
400578697	DEVIATED DRILLING PLAN
400578698	DIRECTIONAL DATA
400579487	WELLBORE DIAGRAM

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Final Review	Off hold - wellbore unit description corrected	4/8/2014 6:55:57 AM
Final Review	On Hold for correction of wellbore spacing unit configuration	4/6/2014 2:49:02 PM
Permit	Operator confirmed correct BHL in sec 23. 7" casing should start at 7460'. Made the correction. Operator submitted complete comments. Corrected PSU description in Spacing & Formations Operator changed objective formation to Niobrara. Objective of the lost hole was Codell. Ready to pass.	3/31/2014 8:03:33 AM
Permit	Corrected BHL to section 23. 7" casing on Deviated Drilling Plan starts at 7460' and 7729' on casing tab Incomplete comments. Operator used hole size for casing size. Requested operator follow the guidance for comments. Attached email approval and added approval to comments.	3/27/2014 8:38:09 AM
Permit	This form passes completeness.	3/27/2014 6:44:41 AM

Total: 5 comment(s)