

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:

1758780

Date Received:

08/26/2009

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: CHERYL LIGHT Phone: (720)929-6461 Fax: (720)929-7461
Email: CHERYL.LIGHT@ANADARKO.COM

7. Well Name: JERALDL STUGART UNIT Well Number: 2

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

9. Proposed Total Measured Depth: 7774

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 4 Twp: 2N Rng: 65W Meridian: 6

Latitude: 40.163570 Longitude: -104.665010

Footage at Surface: 1080 feet FSL 1580 feet FEL
FNL/FSL FEL/FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4853 13. County: WELD

14. GPS Data:

Date of Measurement: 09/26/2006 PDOP Reading: 2.5 Instrument Operator's Name: CHRIS FISHER

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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 918 ft

18. Distance to nearest property line: 1050 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 825 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-CODELL | NB-CD | 407-87 | 160 | SE4 |

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):

SEE ATTACHED OIL AND GAS LEASE

25. Distance to Nearest Mineral Lease Line: 1070 ft

26. Total Acres in Lease: 800

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 | 8+5/8 | 24 | | 540 | 350 | 540 | 50 |
| 1ST | 7+7/8 | 4+1/2 | 10.5/11.6 | | 7774 | 200 | 7774 | 6900 |

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

33. Comments _____

34. Location ID: 318755

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: REGULATORY Date: 8/28/2009 Email: CHERYL.LIGHT@ANADARKO.

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: *David & Neslin* Director of COGCC Date: 10/18/2009

API NUMBER

05 123 09900 00

Permit Number: _____ Expiration Date: 10/17/2011

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

1) NO CBL ON FILE. CALCULATED TOC IS LESS THAN 200' OVER NIOBRARA. RUN AND SUBMIT CBL TO VERIFY CEMENT COVERAGE FROM BOTTOM OF PRODUCTION CASING TO AT LEAST 200' ABOVE NIOBRARA. 2) COMPLY WITH RULE 317.P AND PROVIDE REMEDIAL CEMENT FROM CURRENT TOC TO 200' ABOVE NIOBRARA (6670' MIN.) IF CURRENT TOC IS BELOW THAT POINT. ALSO PROVIDE REMEDIAL CEMENT FROM 760' TO 50' ABOVE SURFACE CASING SHOE. VERIFY COVERAGE WITH CEMENT BOND LOG.

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------|
| 1758780 | APD APPROVED |
| 1758839 | 30 DAY NOTICE LETTER |
| 1758841 | SURFACE AGRMT/SURETY |
| 1758842 | OIL & GAS LEASE |
| 1940672 | SURFACE CASING CHECK |
| 400010458 | APD ORIGINAL |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|---------------------|--------------------|
| | | |