


FORM 2 Rev 12/05	State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
DE	ET	OE	ES				
APPLICATION FOR PERMIT TO:			Document Number: 400154496 Plugging Bond Surety 20010124				
1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>KERR-MCGEE OIL & GAS ONSHORE LP</u> 4. COGCC Operator Number: <u>47120</u>							
5. Address: <u>P O BOX 173779</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80217-3779</u>							
6. Contact Name: <u>REBECCA HEIM</u> Phone: <u>(720)929-6361</u> Fax: <u>(720)929-7361</u> Email: <u>rebecca.heim@anadarko.com</u>							
7. Well Name: <u>DACONO</u> Well Number: <u>3-2</u>							
8. Unit Name (if appl): _____ Unit Number: _____							
9. Proposed Total Measured Depth: <u>8460</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SENW</u> Sec: <u>2</u> Twp: <u>1N</u> Rng: <u>68W</u> Meridian: <u>6</u> Latitude: <u>40.082118</u> Longitude: <u>-104.973282</u>							
Footage at Surface: <u>2028</u> feet FNL/FSL <u>FNL</u> 1861 feet FEL/FWL <u>FWL</u>							
11. Field Name: <u>WATTENBERG</u> Field Number: <u>90750</u>							
12. Ground Elevation: <u>5015</u> 13. County: <u>WELD</u>							
14. GPS Data: Date of Measurement: <u>10/25/2010</u> PDOP Reading: <u>1.9</u> Instrument Operator's Name: <u>CHRIS PEARSON</u>							
15. If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan. Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL <u>660</u> <u>FNL</u> <u>1980</u> <u>FWL</u> <u>660</u> <u>FNL</u> <u>1980</u> <u>FWL</u> Sec: <u>2</u> Twp: <u>1N</u> Rng: <u>68W</u> Sec: <u>2</u> Twp: <u>1N</u> Rng: <u>68W</u>							
16. Is location in a high density area? (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>1363 ft</u>							
18. Distance to nearest property line: <u>618 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>1117 ft</u>							
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.)			
J SAND	JSND	232-277	320	W/2			
NIORARA-CODELL	NB-CD	407-436	80	N/2NW/4			

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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#: 20010125

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):
PLEASE SEE ATTACHED OGL.

25. Distance to Nearest Mineral Lease Line: 650 ft 26. Total Acres in Lease: 717

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

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.

If 28, 29, or 30 are "Yes" a pit permit may be required.

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	0	900	630	900	
1ST	7+7/8	4+1/2	11.6	0	8,460	200	8,460	

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

33. Comments NO CONDUCTOR CASING WILL BE USED. PENDING COMMISSION HEARING ON MAY 16, 2011.

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: REBECCA HEIM

Title: REGULATORY ANALYST II Date: 4/28/2011 Email: DJREGULATORY@ANADARK

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 S. Neslin Director of COGCC Date: 6/29/2011

API NUMBER

05 123 33815 00

Permit Number: _____ Expiration Date: 6/28/2013

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 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log.
- 3) 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.

Attachment Check List

Att Doc Num	Name
400154496	FORM 2 SUBMITTED
400154501	30 DAY NOTICE LETTER
400154502	PLAT
400154503	TOPO MAP
400155958	DEVIATED DRILLING PLAN
400159982	OIL & GAS LEASE

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Added new spacing orders 232-277 for J Sand & 407-436 for NB-CD allowing 12 completions in the NW¼ of Section 36, Township 1 North, Range 68 West.	6/29/2011 2:56:44 PM
Permit	ON HOLD: 1105-EX-08 continued to June hearing.	5/19/2011 4:38:16 PM
Permit	changed NB-CD unit configuration from N/2SW to N/2NW. plg.	5/3/2011 3:27:09 PM
Permit	ON HOLD: pending commission hearing on May 16, 2011. Will be 10th well in qtr. plg. ready to pass.	5/3/2011 3:20:50 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)