

FORM  
2

Rev  
08/13

## 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:

400605737

#### APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

Date Received:

07/09/2014

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Tarin

Well Number: 32Y-414

Name of Operator: PDC ENERGY INC

COGCC Operator Number: 69175

Address: 1775 SHERMAN STREET - STE 3000

City: DENVER State: CO Zip: 80203

Contact Name: Liz Lindow

Phone: (303)831-3974

Fax: ( )

Email: liz.lindow@pdce.com

#### RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090078

#### WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 32 Twp: 4N Rng: 66W Meridian: 6

Latitude: 40.263400

Longitude: -104.793170

Footage at Surface: 913 feet FNL/FSL FSL 355 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4775

County: WELD

GPS Data:

Date of Measurement: 12/19/2013 PDOP Reading: 2.9 Instrument Operator's Name: Brian Rottinghaus

If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 445 FSL 734 FEL 485 FSL 2143 FEL 485  
Sec: 32 Twp: 4N Rng: 66W Sec: 31 Twp: 4N Rng: 66W

#### LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Surface Owner is: ☒ is the mineral owner beneath the location.

(check all that apply)

☒ is committed to an Oil and Gas Lease.

☐ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: \_\_\_\_\_

Surface Surety ID: \_\_\_\_\_

## 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.)

Township 4 North, Range 66 West, 6th P.M. Section 32: S/2SE/4 lying South and East of the Union Pacific Railroad right-of-way

Total Acres in Described Lease: 52 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: 517 Feet  
Building Unit: 637 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 351 Feet  
Above Ground Utility: 6160 Feet  
Railroad: 794 Feet  
Property Line: 355 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: 03/14/2014

## SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 101 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 500 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

SEC. 32: S2S2; SEC. 31: S2SE in T4N R66W; Sec. 5: N2NE, NWNE in T3N R66W

## 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		360	GWA

## DRILLING PROGRAM

Proposed Total Measured Depth: 14374 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 101 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S 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: Land application

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	875	830	875	0
1ST	8+3/4	7	26	0	7864	650	7864	500
1ST LINER	6+1/8	4+1/2	13.5	6549	14374			

☒ 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 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. Distance to nearest well Benjamin 5 measured to via the Anti-Collision Report in the Deviated Drilling plan. Building Unit owners waived requirements per Rules 305.a., 305.c., 306.e, 604.c.(2).A-W., and the MIRU policy. Letter to Director and Waivers attached. Exception to Rule 317.o. requested.

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: \_\_\_\_\_

Is this application being submitted with an Oil and Gas Location Assessment application? \_\_\_\_\_ Yes

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: 7/9/2014 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:  Director of COGCC Date: 8/31/2014

Expiration Date: 08/30/2016

### API NUMBER

05 123 40097 00

## 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.

<u>COA Type</u>	<u>Description</u>
	Operator shall comply with Buffer Zone Move-In, Rig-Up Notice Policy dated 12-16-2013.
	<p>Operator acknowledges the proximity of the listed wells: Operator agrees to: provide mitigation option 1 or 2 (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 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>FARR-FARMS (API NO 123-12165)WOLF 44-31 (API NO 123-14464)            BENJAMIN 1 (API NO 123-20329)NICHOLAS 1 (API NO 123-20331)            NICHOLAS 5 (API NO 123-25922)BENJAMIN 5 (API NO 123-26274)            FLOYD 1 (API NO 123-12715)WOLFE 1 (API NO 123-13677)            GLEN 1 (API NO 123-13678)WOLFE 13-32 (API NO 123-14422)            WOLFE 14-32 (API NO 123-14484)GLEN 44-32 (API NO 123-14490)            WOLFE 5 (API NO 123-22826)</p>
	<p>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.            2) 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.            3) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.</p>
	<p>Operator acknowledges the proximity of the listed wells: Operator agrees to: provide mitigation option 1 or 2 (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 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>FARR-FARMS (API NO 123-12165)WOLF 44-31 (API NO 123-14464)            BENJAMIN 1 (API NO 123-20329)NICHOLAS 1 (API NO 123-20331)            NICHOLAS 5 (API NO 123-25922)BENJAMIN 5 (API NO 123-26274)            FLOYD 1 (API NO 123-12715)WOLFE 1 (API NO 123-13677)            GLEN 1 (API NO 123-13678)WOLFE 13-32 (API NO 123-14422)            WOLFE 14-32 (API NO 123-14484)GLEN 44-32 (API NO 123-14490)            WOLFE 5 (API NO 123-22826)</p>

## Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. The Colorado Oil and Gas Conservation Commission (COGCC) has established this Policy Regarding Bradenhead Monitoring During Hydraulic Fracturing Treatments ("Treatment") in the Greater Wattenberg Area ("GWA") pursuant to COGCC 207.a. ("Policy"). This Policy applies to oil and gas operations in the GWA as defined by the COGCC Rules of Practice and Procedure.
2	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: 2 comment(s)

## 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
400605737	FORM 2 SUBMITTED
400617580	OffsetWellEvaluations Data
400617586	OPEN HOLE LOGGING EXCEPTION
400617587	30 DAY NOTICE LETTER
400617588	WAIVERS
400617589	EXCEPTION LOC REQUEST
400617590	EXCEPTION LOC WAIVERS
400619980	DEVIATED DRILLING PLAN
400619982	DIRECTIONAL DATA
400623585	WELL LOCATION PLAT
400623593	ANTI-COLLISION WAIVER
400642300	PROPOSED SPACING UNIT

Total Attach: 12 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Final Review	Removed Section 6 T3N R66W from GWA unit description on form.	8/31/2014 8:37:55 AM
Permit	Final Review Completed. No LGD or public comment received.	8/26/2014 1:11:46 PM
Permit	Building Unit owners waived requirements per Rules 305.a., 305.c., 306.e, 604.c. (2).A-W., and the MIRU policy. Letter to Director and Waivers attached.	8/26/2014 1:11:45 PM
Permit	Per operator TOZ 445' FSL and 734' FEL in Sec 32 T4N R66W. Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in same formation is 101' and Distance to nearest permitted or existing wellbore penetrating object formation is 101'. Received and attached corrected 318A.m Anti-Collision waiver. ok to pass.	8/26/2014 1:10:25 PM
Permit	ON HOLD: requesting confirmation of TOZ footage. Requesting corrected "Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in same formation" and "Distance to nearest permitted or existing wellbore penetrating object formation". Requesting corrected 318A.m Anti-Collision waiver.	8/11/2014 12:44:24 PM
Permit	Operator requests approval of an Anti-Collision Waiver for Rule 318Am. Wellbore is to be located less than 150' from an existing wellbore. Request and waivers attached.	8/11/2014 12:44:24 PM
Permit	Request for Exception to Open Hole Logging Rule 317.o letter attached.	8/11/2014 12:44:21 PM
Engineer	Offset Wells Evaluated.	7/14/2014 1:41:52 PM
Permit	Passed completeness.	7/10/2014 11:55:01 AM

Total: 9 comment(s)