

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



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APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☐

Refiling ☐
Sidetrack ☐

Document Number:

400064020

Plugging Bond Surety

20090078

3. Name of Operator: PETROLEUM DEVELOPMENT CORPORATION

4. COGCC Operator Number: 69175

5. Address: 1775 SHERMAN STREET - STE 3000

City: DENVER State: CO Zip: 80203

6. Contact Name: Kelly Huffman Phone: (303)831-3974 Fax: (303)860-5838

Email: khuffman@petd.com

7. Well Name: Chesnut Well Number: 22BD

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

9. Proposed Total Measured Depth: 6996

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 22 Twp: 5N Rng: 64W Meridian: 6

Latitude: 40.383760 Longitude: -104.536830

Footage at Surface: 2259 FNL/FSL FSL 2379 FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4600 13. County: WELD

14. GPS Data:

Date of Measurement: 04/08/2010 PDOP Reading: 6.0 Instrument Operator's Name: Thomas G. Carlson

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

Footage at Top of Prod Zone: FNL/FSL 1336 FSL 1326 FEL/FWL FWL Bottom Hole: FNL/FSL 1336 FSL 1326 FEL/FWL FWL
Sec: 22 Twp: 5N Rng: 64W Sec: 22 Twp: 5N Rng: 64W

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: 233 ft

18. Distance to nearest property line: 185 ft 19. Distance to nearest well permitted/completed in the same formation: 400 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	SW/4
Sussex Shannon	SX-SN	N/A	160	SW/4

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#: 19990086

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):
Township 5 North, Range 64 West, 6th P.M., Section 22: E/2SW/4

25. Distance to Nearest Mineral Lease Line: 262 ft 26. Total Acres in Lease: 80

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

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.

Casing Type	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	12+1/4	8+5/8	24	650	390	0	650
1ST	7+7/8	4+1/2	10.5	6,996	110	6,996	5,596
S.C. 1.1	7+7/8	4+1/2	10.5	6,996	110	6,996	5,596

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

33. Comments Conductor casing will not be used. The Chesnut 22BD will be drilled from the same pad as the Chesnut 22KD, 22OD, and 22PD. The well will be tied into an existing tank battery facility which currently services the Chesnut 22-23 and 22-24 wells. COGCC: changes made to BH per email from opr 6/23/peb in addition unit config and correspondence need to be deleted (no replacements) 6/22/peb incorrect dev plan / opr will send new one as well as confirmation of corrected bh data; Operator requests the approval of an exception location to rule 318Aa, 318Ac. Waivers attached

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: Kelly Huffman

Title: Contract Land Technician Date: 6/21/2010 Email: khuffman@petd.com

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. Nesline Director of COGCC Date: 7/15/2010

Permit Number: _____ Expiration Date: 7/14/2012

API NUMBER

05 123 31889 00

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.

COGCC ENG COA - SME

- 1) Provide 24 hr notice of spud to Bo Brown at 970-330-6085 or email at bo.brown@state.co.us .
- 2) Set surface casing per Rule 317d, cement to surface. Setting surface casing less than the approved depth is a permit violation unless prior written approval is obtained from the COGCC.
- 3) If completed, 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.
- 4) If dry hole, set 60 sks cement from 50' below D Sand base to 100' above D Sand top, 40 sks cement 50' above Niobrara top, 40 sks cement 50' above Shannon top, 40 sks cement 50' above Sussex top, 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole. Restore surface location.
- 5) 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	Doc Description
1725972	SURFACE CASING CHECK	LF@2497689 1725972
2589666	DEVIATED DRILLING PLAN	LF@2494969 2589666
400064020	FORM 2 SUBMITTED	LF@2494456 400064020
400064028	PLAT	LF@2494457 400064028
400064030	TOPO MAP	LF@2494458 400064030
400067521	EXCEPTION LOC REQUEST	LF@2494459 400067521
400067523	DEVIATED DRILLING PLAN	LF@2494460 400067523
400067524	UNIT CONFIGURATION MAP	LF@2494461 400067524
400067525	CORRESPONDENCE	LF@2494462 400067525
400070969	EXCEPTION LOC WAIVERS	LF@2494463 400070969
400070970	30 DAY NOTICE LETTER	LF@2494464 400070970

Total Attach: 11 Files