

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 ☒

Refilling ☐
Sidetrack ☐

Document Number:

400074013

Plugging Bond Surety

20040083

3. Name of Operator: PIONEER NATURAL RESOURCES USA INC

4. COGCC Operator Number: 10084

5. Address: 1401 17TH ST STE 1200

City: DENVER State: CO Zip: 80202

6. Contact Name: Georgina Kovacik Phone: (303)675-2611 Fax: (303)294-1251

Email: georgina.kovacik@pxd.com

7. Well Name: ARGON Well Number: 43-31

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

9. Proposed Total Measured Depth: 1075

WELL LOCATION INFORMATION

10. QtrQtr: NE/SE Sec: 31 Twp: 33S Rng: 65W Meridian: 6

Latitude: 37.127050 Longitude: -104.705470

Footage at Surface: 2213 FNL/FSL FSL 429 FEL/FWL FEL

11. Field Name: Purgatoire River Field Number: 70830

12. Ground Elevation: 6538 13. County: LAS ANIMAS

14. GPS Data:

Date of Measurement: 06/04/2010 PDOP Reading: 4.6 Instrument Operator's Name: R. Coberly

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: 158 ft

18. Distance to nearest property line: 429 ft 19. Distance to nearest well permitted/completed in the same formation: 1205 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.)
Raton/Vermejo	RT-VJ			

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#: 20040084

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 Bon ☐ \$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

25. Distance to Nearest Mineral Lease Line: 429 ft 26. Total Acres in Lease: 25

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: Drilling pit

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
CONDUCTOR	12+3/4	12+3/4	33.38	6			
SURF	11	8+5/8	24	250	52	250	0
1ST	7+7/8	5+1/2	15.5	1,075	159	1,075	0

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

33. Comments The conductor casing will be hammered in. rig height is 100' per GK.

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: Georgina Kovacik

Title: Engineering Tech Date: 7/1/2010 Email: georgina.kovacik@pxd.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. Neslin Director of COGCC Date: 7/27/2010

API NUMBER

05 071 09823 00

Permit Number: _____ Expiration Date: 7/26/2012

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 48 hour notice of MIRU to John Duran at 719-846-4715 email John.Duran@state.co.us.

2) Provide cement coverage of production casing from TD to surface casing shoe or above. Verify coverage with cement bond log. NOTE: There is a water well ½-mile to 1-mile from the proposed well location with bottom hole elevation deeper than the proposed surface casing setting depth that may be completed in a coal seam of interest for this well (Receipt #9088760 – 150' @ 5100' E). Otherwise 340' of surface casing would be needed to cover 50' below all water wells within a 1-mile radius.

3) Immediately cease operations and notify the COGCC in the event of any operational problem that could impact water wells in the area.

Attachment Check List

Att Doc Num	Name	Doc Description
400074013	FORM 2 SUBMITTED	LF@2501314 400074013
400074023	30 DAY NOTICE LETTER	LF@2501315 400074023
400074024	WELL LOCATION PLAT	LF@2501316 400074024
400074025	LEGAL/LEASE DESCRIPTION	LF@2501317 400074025

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	rig height is 100' per GK.	07/27/2010

Total: 1 comment(s)