


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: <div style="text-align: center;">400125198</div> Plugging Bond Surety <div style="text-align: center;">20090078</div>				
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 checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>PETROLEUM DEVELOPMENT CORPORATION</u> 4. COGCC Operator Number: <u>69175</u>							
5. Address: <u>1775 SHERMAN STREET - STE 3000</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80203</u>							
6. Contact Name: <u>Liz Lindow</u> Phone: <u>(303)831-3974</u> Fax: <u>()</u> Email: <u>llindow@petd.com</u>							
7. Well Name: <u>Nelson</u> Well Number: <u>32D</u>							
8. Unit Name (if appl): _____ Unit Number: _____							
9. Proposed Total Measured Depth: <u>7500</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SESE</u> Sec: <u>32</u> Twp: <u>7N</u> Rng: <u>66W</u> Meridian: <u>6</u> Latitude: <u>40.527030</u> Longitude: <u>-104.797900</u>							
Footage at Surface: <u>1185</u> feet FNL/FSL <u>1111</u> feet FEL/FWL <u>FWL</u>							
11. Field Name: <u>Eaton</u> Field Number: <u>19350</u>							
12. Ground Elevation: <u>4860</u> 13. County: <u>WELD</u>							
14. GPS Data: Date of Measurement: <u>01/05/2011</u> PDOP Reading: <u>6.0</u> Instrument Operator's Name: <u>Thomas Carlson</u>							
15. If well is <input 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 _____ Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____							
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>480</u> ft							
18. Distance to nearest property line: <u>80</u> ft 19. Distance to nearest well permitted/completed in the same formation: <u>580</u> 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		160	SE4			
Parkman	PRKM		160	SE4			
Sussex Shannon	SX-SN		160	SE4			

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#: 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 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):
SE/4 and a portion of the SW/4. See attached mineral lease map.

25. Distance to Nearest Mineral Lease Line: 1111 ft 26. Total Acres in Lease: 242

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: closed loop

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	0	900	500	900	0
1ST	7+7/8	4+1/2	10.5	0	7,500	525	7,500	0

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

33. Comments Conductor casing will not be used. The Nelson 43-32D, 32D, 33-32D, 43-32D, and 34-32D will all be drilled from the same pad. The wells be be tied into a tank battery approximately 1072 feet to the south. Petroleum Development Corporation requests approval of a Rule 603a2 exception location: Well head is to be located closer than 150' to the nearest property line. Waiver 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: Liz Lindow

Title: Permit Representative Date: 2/23/2011 Email: llindow@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. Neslin Director of COGCC Date: 3/16/2011

API NUMBER

05 123 33151 00

Permit Number: _____ Expiration Date: 3/15/2013

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) Note surface casing setting depth change from 375' to 900'. Increase cement coverage accordingly.
- 2) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@state.co.us
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
400125198	FORM 2 SUBMITTED
400125201	TOPO MAP
400125202	WELL LOCATION PLAT
400127777	MINERAL LEASE MAP
400131988	30 DAY NOTICE LETTER
400132908	EXCEPTION LOC REQUEST
400132909	EXCEPTION LOC WAIVERS
400132910	EXCEPTION LOC WAIVERS

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	---HOLD OFF	3/2/2011 3:13:54 PM
Permit	---ON HOLD--Waiting for change approval	3/2/2011 1:46:31 PM
Permit	-----Exception location request and offset surface owners (Nelson's, Moody's) waivers attached-wellhead closer than 150' to property line 603.a.2	3/2/2011 11:21:58 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)