

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:
400066126
Plugging Bond Surety
20090106

3. Name of Operator: EAST CHEYENNE GAS STORAGE LLC 4. COGCC Operator Number: 10322

5. Address: 10901 WEST TOLLER DRIVE - SUITE 200
City: LITTLETON State: CO Zip: 80127

6. Contact Name: Daniel Benedict Phone: (720)351-4000 Fax: (720)351-4200
Email: dbenedict@mepco.us.com

7. Well Name: Kenneth Gillham Well Number: 3

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

9. Proposed Total Measured Depth: 5340

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 6 Twp: 11N Rng: 52W Meridian: 6
Latitude: 40.955480 Longitude: -103.220650

Footage at Surface: 2300 FNL/FSL FSL 2293 FEL/FWL FWL

11. Field Name: Peetz West Field Number: 68300

12. Ground Elevation: 4556 13. County: LOGAN

14. GPS Data:

Date of Measurement: 04/27/2010 PDOP Reading: 2.5 Instrument Operator's Name: Darren Veal

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: 23 ft

18. Distance to nearest property line: 222 ft 19. Distance to nearest well permitted/completed in the same formation: 1213 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.)
D Sandstone	DSND			
J Sandstone	JSND			

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#: _____

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):

25. Distance to Nearest Mineral Lease Line: 222 ft 26. Total Acres in Lease: 304

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	13+5/8	9+5/8	25.4	216	175	217	0
1ST	9+1/2	5+1/2	15.5	5,339	250	5,340	3,840

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

33. Comments The well is within the gas storage area. The well is currently a producer in the "J" Sandstone that will be re-entered and re-completed into the "D" for pressure testing purposes. It will then be re-worked back to the "J" as a producer prior to eventually being re-worked again to the "D" where it will be utilized as an observation well for the gas storage project.

34. Location ID: 312238

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: Daniel Benedict

Title: Engineer Date: 6/1/2010 Email: dbenedict@mepco.us.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: 6/9/2010

API NUMBER
05 075 07156 00

Permit Number: _____ Expiration Date: 6/8/2012

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.

Prior to recompletion, operator must:

- 1) Provide 24 hour notice of MIRU to Colby Horton at 970-467-2517 or e-mail at colby.horton@state.co.us.
- 2) Place remedial cement to comply with Rule 317.i, set stage cement from 1100' to at least 50' above the existing surface casing shoe, and confirm cement coverage from TD to a minimum of 200' above D Sand. Verify coverage with cement bond log.
- 3) Pressure test the casing to confirm integrity.
- 4) Within 30 days after recomplete, submit Form 5 with CBL to document remedial cement in accordance with Rule 308A (change of wellbore configuration) and Form 5A to document new status of both formations in accordance with Rule 308B.

Attachment Check List

Att Doc Num	Name	Doc Description
400066126	FORM 2 SUBMITTED	LF@2484534 400066126
400066208	LOCATION DRAWING	LF@2484536 400066208
400066209	LOCATION PICTURES	LF@2484538 400066209
400066210	TOPO MAP	LF@2484561 400066210
400066211	PLAT	LF@2484542 400066211

Total Attach: 5 Files