

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:

2584434

Plugging Bond Surety

20100190

3. Name of Operator: DUKE GAS COMPANY LLC

4. COGCC Operator Number: 25255

5. Address: 22500 COUNTY RD 24

City: VERNON State: CO Zip: 80755

6. Contact Name: DIANA CANTRALL Phone: (970)332-5610 Fax: ()

Email: DCANTRALL@PLAINSTEL.COOP

7. Well Name: CANTRALL Well Number: 6-16

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

9. Proposed Total Measured Depth: 2490

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 6 Twp: 1S Rng: 44W Meridian: 6

Latitude: 39.992230 Longitude: -102.337960

Footage at Surface: 305 FNL/FSL FSL 304 FEL/FWL FEL

11. Field Name: VERNON Field Number: 86500

12. Ground Elevation: 3987.2 13. County: YUMA

14. GPS Data:

Date of Measurement: 09/09/2010 PDOP Reading: 1.9 Instrument Operator's Name: E. JOHNSON

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: 305 ft

18. Distance to nearest property line: 304 ft 19. Distance to nearest well permitted/completed in the same formation: 1438 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	NBRR	315-77	160	SE/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#: _____

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 SEC 6 T 1S R 44W

25. Distance to Nearest Mineral Lease Line: 305 ft 26. Total Acres in Lease: 160

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: FLUID EVAP. AND PIT BAC

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	9+7/8	7	17	420	110	430	0
1ST	6+1/4	4+1/2	10	2,450	75	2,460	1,500

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

33. Comments NO CONDUCTOR CASING WILL BE USED

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: DIANA CANTRAL

Title: OWNER Date: 10/10/2010 Email: DCANTRALL@PLAINSTEL.CO

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: 11/10/2010

API NUMBER

05 125 11942 00

Permit Number: _____ Expiration Date: 11/9/2012

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 24 hr notice of spud to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us.
- 2) Set surface casing at least 50' into Pierre Shale for aquifer coverage, (420' minimum - as proposed). 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. Verify coverage with cement bond log.
- 4) If dry hole, set 35 sks cement 50' above Niobrara top, 35 sks cement ½ out, ½ in surface casing, 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Attachment Check List

Att Doc Num	Name	Doc Description
2512820	SURFACE CASING CHECK	LF@2610103 2512820
2584434	APD ORIGINAL	LF@2601494 2584434
2584435	WELL LOCATION PLAT	LF@2601495 2584435
2584436	TOPO MAP	LF@2601496 2584436
2586409	SURFACE AGRMT/SURETY	LF@2611361 2586409

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	PERMITTING PASSED JLV	11/1/2010 10:04:52 AM
Permit	Attach SUA; Called Operator to discuss Lease. JLV Ready to Pass	10/29/2010 1:35:57 PM
Permit	Opr is working with JLV to put SUA in place. sf	10/15/2010 3:40:14 PM

Total: 3 comment(s)

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