

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400291097

Date Received:

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

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

Refiling ☐

Sidetrack ☐

PluggingBond SuretyID

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: Greg Francis Phone: (720)351-4003 Fax: (720)351-4200

Email: gfrancis@mehllc.com

7. Well Name: ECGS Well Number: 6-20J WPW003

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

9. Proposed Total Measured Depth: 5350

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 6 Twp: 11N Rng: 52W Meridian: 6

Latitude: 40.950800 Longitude: -103.212870

Footage at Surface: 853 feet FNL/FSL 731 feet FEL/FWL FEL

11. Field Name: Peetz West Field Number: 68300

12. Ground Elevation: 4553 13. County: LOGAN

14. GPS Data:

Date of Measurement: 03/28/2012 PDOP Reading: 1.8 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: 653 ft

18. Distance to nearest property line: 653 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 6912 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Dakota J Sandstone | DK-J | NA | | NA |

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 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):

SE1/4 Sec 6, T11N R52W

25. Distance to Nearest Mineral Lease Line: 653

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 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: _____

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 | 13+1/2 | 9+5/8 | 36 | 0 | 1,200 | 720 | 1,200 | 0 |
| S.C. 1.2 | 8+3/4 | 7+0/0 | 26 | 0 | 5,275 | 80 | 4,875 | 0 |
| 1ST LINER | 6+1/4 | 4+1/2 | 13.5 | 5275 | 5,350 | 10 | 5,350 | 5,275 |

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

33. Comments Form 2 is being submitted under the COGCC permitting guidelines dated may 27,2010. The document is entitled "East Cheyenne West Peetz Field Gas Storage Project Permitting & Reporting Requirements". Well will be drilled as a gas storage water disposal well. Water recovered from gas storage operations in the Dakota D Formation will have to be disposed of in close proximity to the gas operations to keep costs down. Dakota J Formation is under pressured (280 psi) due to oil production (1.8 MMBO) in the West Peetz Field. Water salinity characteristics of both formations are similar and Dakota J Sandstone needs to be re-pressured before gas storage operations can commence in the Dakota J.

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: Greg Francis

Title: Project Geologist Date: _____ Email: gfrancis@mehllc.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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|----------------------|
| 400292477 | LOCATION DRAWING |
| 400292478 | OTHER |
| 400292479 | LOCATION PICTURES |
| 400292480 | TOPO MAP |
| 400293094 | SURFACE AGRMT/SURETY |

Total Attach: 5 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---------|--------------|
| | | |

Total: 0 comment(s)

BMP

| Type | Comment |
|--------------------------------|---|
| Drilling/Completion Operations | <p>East Cheyenne Gas Storage Best Management Practices & Procedures East Cheyenne Gas Storage, LLC will utilize the following "Best Management Practices" (BMP) where appropriate to prevent or reduce the impacts caused by gas and oil operations.</p> <p>1) When building new well sites, limit the surface area to be disturbed to that which is required. When a new well is drilled and put on production, reclaim the unneeded well pad area to reduce the disturbed surface area and allow the landowners to use it for agriculture.</p> <p>2) When a previously plugged well is re-entered to re-plug all abandoned production zones, abandoned well in such a manner so as to minimize any surface disturbance. No dry hole marker monument is to be used and well location is to be restored to previous grade.</p> <p>3) Return the land surface to pre-used condition by reforming the surface to match the surrounding area including: terracing, drainage replacement, drainage repair, and the re-seeding in a manner that is specified by the land use agreement or surface owner.</p> <p>4) Spray location to control noxious weeds annually.</p> <p>5) Inspect facilities for erosion and install erosion controls where required.</p> <p>6) Utilize existing roads as much as possible and build new roads to minimize land disturbance area.</p> <p>7) Fill drill site pits within 120 days after completion of well and subject to pit fluid levels, pit moisture, and weather.</p> <p>8) Hydrocarbon storage tanks are to be surrounded by impermeable berms to prevent spills from escaping off-site.</p> <p>9) Open top tanks and unattended pits that may contain hydrocarbons will be fenced and coved with nets to protect fowl and animals.</p> <p>10) Procedural plans are in place to prevent, control and cleanup hydrocarbon spills.</p> |

Total: 1 comment(s)