

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

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

### BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>East Cheyenne Gas Storage Best Management Practices &amp; 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> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>4) Spray location to control noxious weeds annually.</li> <li>5) Inspect facilities for erosion and install erosion controls where required.</li> <li>6) Utilize existing roads as much as possible and build new roads to minimize land disturbance area.</li> <li>7) Fill drill site pits within 120 days after completion of well and subject to pit fluid levels, pit moisture, and weather.</li> <li>8) Hydrocarbon storage tanks are to be surrounded by impermeable berms to prevent spills from escaping off-site.</li> <li>9) Open top tanks and unattended pits that may contain hydrocarbons will be fenced and covered with nets to protect fowl and animals.</li> <li>10) Procedural plans are in place to prevent, control and cleanup hydrocarbon spills.</li> </ol>

Total: 1 comment(s)