

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:

400305467

Date Received:

07/16/2012

PluggingBond SuretyID

20090106

## APPLICATION FOR PERMIT TO:

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

## 2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER ☐ Gas Storage ☐  
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☐3. Name of Operator: EAST CHEYENNE GAS STORAGE LLC4. COGCC Operator Number: 103225. Address: 10901 WEST TOLLER DRIVE - SUITE 200City: LITTLETON State: CO Zip: 801276. Contact Name: Greg Francis Phone: (720)351-4003 Fax: (720)351-4200Email: gfrancis@mehllc.com7. Well Name: ECGS Well Number: 31-7 WPD005-18. Unit Name (if appl): N/A Unit Number: N/A9. Proposed Total Measured Depth: 5250

## WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 31 Twp: 12N Rng: 52W Meridian: 6Latitude: 40.966620 Longitude: -103.221030

Footage at Surface: 1065 feet FSL 2185 feet FWL  
 FNL/FSL FEL/FWL

11. Field Name: Peetz West Field Number: 6830012. Ground Elevation: 4543 13. County: LOGAN

## 14. GPS Data:

Date of Measurement: 03/27/2012 PDOP Reading: 1.3 Instrument Operator's Name: Darren Veal15. 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 ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1065 ft18. Distance to nearest property line: 308 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 80 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 SAND                 | DSND           | 5-2                     |                               |                                      |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #:           22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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):

SW1/4 SEC 31 T12N R52W

25. Distance to Nearest Mineral Lease Line: 308 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 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+1/4       | 9+5/8          | 36    | 0             | 1,200         | 468       | 1,200   | 0       |
| S.C. 1.1    | 8+3/4        | 7+0/0          | 26    | 0             | 5,250         | 40        | 5,250   | 4,840   |
| S.C. 2.1    | 8+3/4        | 7+0/0          | 26    | 0             | 5,250         | 50        | 4,840   | 4,440   |

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 injection-withdrawal well.

34. Location ID: 389117

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: 7/16/2012 Email: gfrancis@mehllc.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: Matthew Lee Director of COGCC Date: 8/18/2012

#### API NUMBER

05 075 09410 00

Permit Number: \_\_\_\_\_ Expiration Date: 8/17/2014

#### 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 48 hr notice prior to spud via electronic Form 42.
- 2) Provide cement coverage from TD to a minimum of 200' above D-Sand. Verify coverage with cement bond log.

### **Attachment Check List**

| Att Doc Num | Name               |
|-------------|--------------------|
| 400305467   | FORM 2 SUBMITTED   |
| 400305857   | TOPO MAP           |
| 400305860   | LOCATION PICTURES  |
| 400305865   | WELL LOCATION PLAT |
| 400306451   | LOCATION DRAWING   |

Total Attach: 5 Files

### **General Comments**

| <b><u>User Group</u></b> | <b><u>Comment</u></b>                                      | <b><u>Comment Date</u></b> |
|--------------------------|--|----------------------------|
| Permit                   | Final Review Completed. No LGD or public comment received. | 8/10/2012<br>8:32:46 AM    |
| Permit                   | Operator fixed attachment.                                 | 7/18/2012<br>8:40:40 AM    |
| Permit                   | Returned to draft. Unable to open "Other" attachement.     | 7/18/2012<br>7:51:33 AM    |

Total: 3 comment(s)

## BMP

| <u>Type</u>                    | <u>Comment</u>   |
|--------------------------------|--|
| Drilling/Completion Operations | <p>East Cheyenne Gas Storage<br/>Best Management Practices &amp; Procedures<br/>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 coved with nets to protect fowl and animals.</li> <li>10) Procedural plans are in place to prevent, control and cleanup hydrocarbon spills.</li> </ol> <p>Note: FERC Docket CP10-34-000 &amp; PF09-12-000 cover the following general aspects of the East Cheyenne Gas Storage Project. Other filed documents with more detail are available for review.</p> <ol style="list-style-type: none"> <li>1.1 Purpose and Need 1-6</li> <li>1.2 Proposed Facilities 1-7 <ol style="list-style-type: none"> <li>1.2.1 Storage Facility 1-14</li> <li>1.2.2 Compressor Station Facilities 1-18</li> <li>1.2.3 Pipeline 1-19</li> <li>1.2.4 Gas measurement 1-21</li> <li>1.2.5 Support Areas for Construction 1-21</li> <li>1.2.6 Project Location and Land Requirements 1-21</li> </ol> </li> <li>1.3 Maps, Aerial Photography, Plot Plans, Typical Drawings, and Representative Site Photos 1-24</li> <li>1.4 Construction and Restoration Methods 1-24 <ol style="list-style-type: none"> <li>1.4.1 Hydrostatic Testing 1-25</li> <li>1.4.2 Re-entering, Plugging, and Abandonment of Facilities 1-26</li> </ol> </li> <li>1.5 Construction Workforce and Schedule 1-27</li> <li>1.6 Operation and Maintenance 1-28</li> <li>1.7 Future Expansion and Abandonment Plans 1-28</li> <li>1.8 Permits, Approvals, and Clearances 1-28</li> <li>1.9 Affected Landowners 1-29</li> <li>1.10 Non-jurisdictional Facilities 1-30</li> <li>1.11 References 1-31</li> </ol> |

Total: 1 comment(s)