

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:

400340248

Date Received:

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒Refiling ☒Sidetrack ☐

PluggingBond SuretyID

20120081

3. Name of Operator: PICEANCE ENERGY LLC4. COGCC Operator Number: 104335. Address: 1512 LARIMER STREET #1000City: DENVER State: CO Zip: 802026. Contact Name: Julie Webb Phone: (303)339-4400 Fax: (303)339-4399Email: jwebb@progressivepcs.net7. Well Name: NVega Well Number: 26-13H

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

9. Proposed Total Measured Depth: 14000

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 23 Twp: 9S Rng: 93W Meridian: 6Latitude: 39.258458 Longitude: -107.744450Footage at Surface: 1300 feet FNL/FSL 650 feet FEL/FWL FWL11. Field Name: Buzzard Creek Field Number: 950012. Ground Elevation: 7599 13. County: MESA

14. GPS Data:

Date of Measurement: 08/25/2010 PDOP Reading: 3.0 Instrument Operator's Name: Kyle Tesky15. 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: 1431 ft18. Distance to nearest property line: 641 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 350 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | 369-4 | | |
| Niobrara | NBRR | | | |
| Williams Fork | WMFK | 369-4 | | |

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#: 2012008223a. 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):

See Previously submitted mineral lease map

25. Distance to Nearest Mineral Lease Line: 650 ft

26. Total Acres in Lease: 1309

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: Reclaim wtr & bury cuttings

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR | 26 | 20 | 106# | 0 | 90 | 140 | 90 | 0 |
| SURF | 17+1/2 | 13+3/8 | 68# | 0 | 220 | 1,266 | 2,200 | 0 |
| 1ST | 12+1/4 | 9+5/8 | 47# | 0 | 8,500 | 630 | 8,500 | 4,900 |
| 1ST LINER | 8+1/2 | 7+5/8 | 29.7# | 0 | 12,273 | 260 | 12,273 | 8,200 |

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

33. Comments THIS IS A VERTICAL PILOT HOLE. WE WILL DRILL THIS PILOT HOLE AND THEN RUN LOGS TO CONFIRM FRACTURE ORIENTATION, ETC. A SEPARATE FORM 2 APD HAS BEEN FILED FOR A HORIZONTAL LATERAL PLANNED TO BE DRILLED FROM THIS WELLBORE. PLEASE REFERENCE DOC#400339124. I certify that all conditions in the original permit are the same. There have been no changes to land use, well construction or the lease. This pad is not built. An existing 2A, doc # 400091001, has an expiration date of 10/6/2013. The location is not in a wildlife restricted surface occupancy area (RSO); consultation with CDOW is not required and the location does not require a variance from any of the rules listed in Rule 306.d.(1).(A). (ii); consultation with CDPHE is not required.

34. Location ID: 420060

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: Julie Webb

Title: Regulatory Analyst Date: _____ Email: jwebb@progressivepcs.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

05 077 10110 00

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 |
|-------------|------|
| | |

Total Attach: 0 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> |
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Total: 0 comment(s)