

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:

400339124

Date Received:

10/26/2012

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 LLC

4. COGCC Operator Number: 10433

5. Address: 1512 LARIMER STREET #1000

City: DENVER State: CO Zip: 80202

6. Contact Name: Julie Webb Phone: (303)339-4400 Fax: (303)339-4399

Email: jwebb@progressivepcs.net

7. Well Name: NVega Well Number: 26-13H

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

9. Proposed Total Measured Depth: 15737

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 23 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.258458 Longitude: -107.744450

Footage at Surface: 1300 feet FSL 650 feet FWL

11. Field Name: Buzzard Creek Field Number: 9500

12. Ground Elevation: 7599 13. County: MESA

14. GPS Data:

Date of Measurement: 08/25/2010 PDOP Reading: 3.0 Instrument Operator's Name: Kyle Tesky

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 _____
795 FSL 645 FWL 2599 FNL 650 FWL
Sec: 23 Twp: 9S Rng: 93W Sec: 26 Twp: 9S Rng: 93W

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: 1431 ft

18. Distance to nearest property line: 641 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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	369-8	640	All

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#: 20120082

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):

See Previously submitted lease description

25. Distance to Nearest Mineral Lease Line: 500 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 cutting

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	2,200	1,266	2,200	0
1ST	12+1/4	9+5/8	47#	0	8,500	630	8,500	4,900
2ND	8+1/2	7+5/8	29.7#	0	12,273	260	12,273	8,200
3RD	6+1/2	5+1/2	24.4/23	0	15,737			

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

33. Comments THIS IS A LATERAL PLANNED FOR THE NVEGA 26-13H. PLEASE REFERENCE API # 05-077-10110-00 (DOCUMENT# 400340248) FOR THE VERTICAL PILOT HOLE INFORMATION, CONCURRENTLY REFILING THE LATERAL PORTION OF FORM 2. THE CASING STRING (3rd STRING) FOR THIS LATERAL WILL NOT BE CEMENTED; INSTEAD PICEANCE WILL SWELL PACKERS IN THE HORIZONTAL SECTION.I certify that all conditions in the original permit are the same; I have added the casing strings from the lateral portion of this well. 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. Surface Owner Notification Sent as Part of Form 2A Process.

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: 10/26/2012 Email: jwebb@progressivepc.net

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: 11/30/2012

API NUMBER: 05 077 10110 01 Permit Number: _____ Expiration Date: 11/29/2014

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) COMPLIANCE WITH THE NOTICE TO OPERATORS DRILLING WELLS IN THE BUZZARD, MAMM CREEK, AND RULISON FIELDS, GARFIELD COUNTY AND MESA COUNTY IS REQUIRED. (PROCEDURES AND SUBMITTAL REQUIREMENTS FOR COMPLIANCE WITH COGCC ORDERS NOS. 1-107, 139-56, 191-22, AND 369-2 (JULY 8, 2010)). SEE ATTACHED NOTICE.

(3) PROVIDE CEMENT COVERAGE FROM THE INTERMEDIATE CASING SHOE TO A MINIMUM OF 200' ABOVE TOP OF GAS (OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON). VERIFY CEMENT WITH A CBL.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.
Bradenhead Pressure Reporting-Garfield County (Mamm Creek & Rulison Fields) Mesa County (Buzzard Field).
Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400339124	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Per oper. corrected dist. to nearest min. lease to 500'. Corrected spacing order. No SUA. No LGD or public comments. Final Review--passed.	11/27/2012 7:36:55 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 210 FEET DEEP.	11/8/2012 1:32:41 PM
Permit	operator included casing information for both the pilot and lateral portions of the well. This form passed completeness.	11/6/2012 9:15:43 AM
Permit	return to draft: 1. conductor casing information is incomplete; if no conductor piping is used then this must be stated in the operator comments. 2. surface casing information is incomplete,	10/30/2012 2:25:18 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)