

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:

400361439

Date Received:

12/21/2012

PluggingBond SuretyID

20120081

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 ☐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)399-4400 Fax: (303)339-4399Email: jwebb@progressivepcs.net7. Well Name: NVega Well Number: 28-14H

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

9. Proposed Total Measured Depth: 14000

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 28 Twp: 9S Rng: 93W Meridian: 6Latitude: 39.254245 Longitude: -107.781475Footage at Surface: 406 feet FNL/FSL 660 feet FEL/FWL FWL11. Field Name: Vega Field Number: 8593012. Ground Elevation: 7511 13. County: MESA

14. GPS Data:

Date of Measurement: 08/25/2010 PDOP Reading: 3.0 Instrument Operator's Name: Elwood Barry Giles15. 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: 1815 ft18. Distance to nearest property line: 406 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 330 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	399-7		All
Niobrara	NBRR	369-8	640	All
Williams Fork	WMFK	399-7		All

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 ☐ 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):

T9S-R93W, Section 28: W/2NW/4, SE/4NW/4, SW/4 and Section 29 NE/4, E/2NW/4, NE/4SW/4, N/2SE/4

25. Distance to Nearest Mineral Lease Line: 406 ft 26. Total Acres in Lease: 640

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	2,200	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 APD # 05-077-10109-01. Piceance owns the surface and therefore we have not attached a 30 day letter of SUA since they are not applicable. 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. Closed loop system will be used. An existing 2A, doc # 400091952, has an expiration date of 10/26/2013.

34. Location ID: 420059

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: 12/21/2012 Email: jwebb@progressivepcs.net

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 10109 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.

Date retrieval failed for the subreport 'IntPolicy_MTO' located at: W:\testpub\Net\Report\policy_mto.rdl. Please check th

Attachment Check List

Att Doc Num	Name
400361439	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

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

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