

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:

400339126

Date Received:

10/26/2012

PluggingBond SuretyID

20120081

## APPLICATION FOR PERMIT TO:

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

### 2. TYPE OF WELL

OIL  GAS  COALBED  OTHER Lateral wellbore  
SINGLE ZONE  MULTIPLE  COMMINGLE

Refiling

Sidetrack

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: 28-14H

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 15989

## WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 28 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.254245 Longitude: -107.781475

Footage at Surface: 406 feet FNL 660 feet FWL

11. Field Name: Vega Field Number: 85930

12. 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 Giles

15. If well is  Directional  Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 911 FNL 662 FWL Bottom Hole: 660 FSL 660 FWL  
Sec: 28 Twp: 9S Rng: 93W Sec: 28 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: 1815 ft

18. Distance to nearest property line: 406 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#: \_\_\_\_\_

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. This is a horizontal wellbore crossing one fee lease.

25. Distance to Nearest Mineral Lease Line: 660 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
2ND	8+1/2	7+5/8	29.7#	0	12,273	260	12,273	8,200
3RD	6+1/2	5+1/2	21.4/23#	0	15,989			

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

33. Comments THIS IS LATERAL #1 FOR THE NVEGA 28-14H. PLEASE REFERENCE API # 077-10109-00 (DOCUMENT# 400340197) FOR THE VERTICAL PILOT HOLE INFORMATION. THE CASING STRING (3rd STRING) FOR THIS LATERAL WILL NOT BE CEMENTED; INSTEAD PICEANCE WILL SWELL PACKERS IN THE HORIZONTAL SECTION. PICEANCE OWNS THE SURFACE AND THEREFORE WE HAVE NOT ATTACHED A 30-DAY LETTER OR SUA SINCE THEY ARE NOT APPLICABLE. I certify that all conditions in the original permit are the same, I have added the casing information from the Vertical pilot hole. 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. 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: 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: 10/26/2012 Email: jwebb@progressivepcs.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: 1/25/2013

API NUMBER  
05 077 10109 01

Permit Number: \_\_\_\_\_ Expiration Date: 1/24/2015

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
400339126	FORM 2 SUBMITTED

Total Attach: 1 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	No LGD or public comments. Final Review--passed.	1/24/2013 9:22:17 AM
Permit	Refile APD for pilot hole sub. Public comment period expires 1/22/13. Operator advised that if location is not built prior to 2A expiration, an amended 2A must be submitted and approved prior to construction.	1/9/2013 4:01:22 PM
Permit	Need refile APD for pilot hole. Added spacing order, unit size and configuration.	12/18/2012 2:43:28 PM
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 72 FEET DEEP.	11/8/2012 1:40:19 PM
Permit	operator included casing information for both the pilot and lateral portions of the well. This form passed completeness.	11/6/2012 9:18:10 AM
Permit	return to draft: 1. conductor casing information is incomplete; if no conductor casing is used then this must be noted in the operator comments. 2. surface string casing information is incomplete.	10/30/2012 3:30:33 PM

Total: 6 comment(s)

**BMP**

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

Total: 0 comment(s)