

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:

400453355

Date Received:

07/23/2013

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 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: ()

Email: jwebb@progressivepcs.net

7. Well Name: Vega Well Number: 4-421

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

9. Proposed Total Measured Depth: 8135

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 4 Twp: 10S Rng: 93W Meridian: 6

Latitude: 39.222009 Longitude: -107.765754

Footage at Surface: 1635 feet FNL/FSL 310 feet FEL/FWL  
FNL FEL

11. Field Name: Vega Field Number: 85930

12. Ground Elevation: 8124 13. County: MESA

14. GPS Data:

Date of Measurement: 07/02/2008 PDOP Reading: 6.0 Instrument Operator's Name: J. Kirkpatrick, Bookcliff Surveying

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  
1600 FNL 1040 FEL 1600 FNL 1040 FEL  
Sec: 4 Twp: 10S Rng: 93W Sec: 4 Twp: 10S 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: 1040 ft

18. Distance to nearest property line: 310 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 632 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           | 399-4                   |                               |                                      |
| WILLIAMS FORK          | WMFK           | 399-4                   |                               |                                      |

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):

T10S- R93W: Sec. 4: E/2NE/4, NE/4SW/4, N/2SE/4

25. Distance to Nearest Mineral Lease Line: 309 ft

26. Total Acres in Lease: 200

### 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: Closed Loop

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   | 24           | 16             | 55     | 0             | 60            | 200       | 60      | 0       |
| SURF        | 12+1/4       | 8+5/8          | 24, 32 | 0             | 2200          | 740       | 2200    | 0       |
| 1ST         | 7+7/8        | 4+1/2          | 11.6   | 0             | 8135          | 477       | 8135    | 5489    |

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

33. Comments 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 built. No expansion or additional disturbance will occur. Closed loop system will be used. PICEANCE ENERGY IS THE SURFACE OWNER. There will not be a 30 day letter or SUA attached. This Refile Form 2 does not require a Form 2A because the pad has been constructed, a closed loop system is being used so no pits need to be constructed, the refiled well will not require any expansion/additional surface disturbance of the pad. 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 306.d.(1).(A).(ii).; consultation with CDPHE is not required. Casing plan- Production casing top of cement will be >500' above top of gas.

34. Location ID: 334429

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: 7/23/2013 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: 8/15/2013

API NUMBER

05 077 09566 00

Permit Number: \_\_\_\_\_ Expiration Date: 8/14/2015

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.

**COA Type**

**Description**

|  |  |
|--|--|
|  | (1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. |
|--|--|

**Applicable Policies and Notices to Operators**

|   |
|---|
| NW Colorado Notification Policy.                                  |
| Notice Concerning Operating Requirements for Wildlife Protection. |

**Attachment Check List**

**Att Doc Num**

**Name**

|           |                  |
|-----------|------------------|
| 400453355 | FORM 2 SUBMITTED |
|-----------|------------------|

Total Attach: 1 Files

**General Comments**

**User Group**

**Comment**

**Comment Date**

|          |   |                          |
|----------|---|--------------------------|
| Permit   | No LGD or public comments.<br>Final Review--passed.   | 8/15/2013<br>11:13:25 AM |
| Permit   | Corrected obj. fm. tab.<br>Distance to nearest unit boundary is 1600'.<br>Added location to inactive location spreadsheet.  | 3/9/2013 8:31:12<br>AM   |
| Engineer | OPERATOR-PROPOSED PRODUCTION CASING CEMENT TOP OF ">500 FEET ABOVE TOP OF GAS" IS ACCEPTABLE.   | 3/7/2013 3:37:48<br>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 440 FEET DEEP. | 3/7/2013 3:37:32<br>PM   |
| Permit   | This form has passed completeness.  | 7/24/2013<br>1:25:02 PM  |

Total: 5 comment(s)

**Best Management Practices**

**No BMP/COA Type**

**Description**

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