

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:

400453575

Date Received:

07/24/2013

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: NVega Well Number: 22-142

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

9. Proposed Total Measured Depth: 9344

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 22 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.260667 Longitude: -107.757861

Footage at Surface: 2004 feet FNL/FSL 2090 feet FEL/FWL
 FSL FWL

11. Field Name: Buzzard Creek Field Number: 9500

12. Ground Elevation: 7497 13. County: MESA

14. GPS Data:

Date of Measurement: 08/27/2007 PDOP Reading: 3.4 Instrument Operator's Name: Bart Hunting, Uintah 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
 1025 FSL 940 FWL 1025 FSL 940 FWL
 Sec: 22 Twp: 9S Rng: 93W Sec: 22 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: 4350 ft

18. Distance to nearest property line: 684 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 433 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	320	Sec 22:S/2
WILLIAMS FORK	WMFK	399-4	320	Sec. 22:S/2

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 ☐ No23b. 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: 940 ft

26. Total Acres in Lease: 1749

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	9344	477	9344	5415

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.

34. Location ID: 334465

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: 7/24/2013 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 09915 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
	<p>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.</p> <p>(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.</p>

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
400453575	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

User Group	Comment	Comment Date
Permit	No LGD or public comments. Final Review--passed.	8/15/2013 1:20:24 PM
Permit	Corrected spacing orders.	8/12/2013 10:58:56 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.	8/7/2013 10:45:13 AM
Permit	Pass Completeness.	7/25/2013 1:16:45 PM

Total: 4 comment(s)

Best Management Practices

No	BMP/COA Type	Description