

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refilling <input checked="" type="checkbox"/>
ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received:
05/30/2014

Well Name: <u>Piceance</u>	Well Number: <u>28-17M</u>
Name of Operator: <u>PICEANCE ENERGY LLC</u>	COGCC Operator Number: <u>10433</u>
Address: <u>1512 LARIMER STREET #1000</u>	
City: <u>DENVER</u>	State: <u>CO</u>
	Zip: <u>80202</u>
Contact Name: <u>Wayne P Bankert</u>	Phone: <u>(970)812-5310</u>
Email: <u>wbankert@laramie-energy.com</u>	Fax: <u>(303)339-4399</u>

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120081

WELL LOCATION INFORMATION

QtrQtr: NESW Sec: 28 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.247670 Longitude: -107.778100

Footage at Surface:	<u>2462</u> feet	FNL/FSL	<u>FSL</u>	<u>1604</u> feet	FEL/FWL	<u>FWL</u>
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Field Name: VEGA Field Number: 85930

Ground Elevation: 7583 County: MESA

GPS Data:

Date of Measurement: 10/05/2012 PDOP Reading: 2.5 Instrument Operator's Name: Dave Murrey

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
<u>1124</u>	<u>FSL</u>	<u>2586</u>	<u>1124</u>	<u>FSL</u>	<u>2586</u>
<u>FWL</u>	<u>FWL</u>	<u>FWL</u>	<u>FWL</u>	<u>FWL</u>	<u>FWL</u>
Sec: <u>28</u>	Twp: <u>9S</u>	Rng: <u>93W</u>	Sec: <u>28</u>	Twp: <u>9S</u>	Rng: <u>93W</u>

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is: is the mineral owner beneath the location.
 (check all that apply) is committed to an Oil and Gas Lease.
 has signed the Oil and Gas Lease.
 is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: applicant is owner

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Township 9S Range 93W 6th PM Mesa County, CO
Sec. 28: NWNW, S2NW, SW
Sec. 29: NE, E2NW, NESW, N2SE

Total Acres in Described Lease: 640 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 53 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3147 Feet
Building Unit: 4664 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 2364 Feet
Railroad: 5280 Feet
Property Line: 1604 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 253 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1124 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
WILLIAMS FORK-ILES	WFILS	399-9	640	ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 7999 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 253 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than

or equal to 100 ppm? No (If Yes, attach an H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

Cuttings to be tested to 910 standards and will be buried on location. Drilling mud will be recycled/reused in other drilling operations. Once all drilling operations are completed the drilling mud will be disposed of at a commercial disposal facility.

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	16	42#	0	60	78	60	0
SURF	12+1/4	8+5/8	32#	0	1500	425	1500	0
1ST	7+7/8	4+1/2	11.6#	0	7999	754	7999	5549

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments Location Drawing
Production Layout
Access Road Map
Hydrology Map
Submitted as part of Location Assessment No. 334435

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 334435

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Wayne P Bankert

Title: Senior Reg. & Env. Coord. Date: 5/30/2014 Email: wbankert@laramie-energy.com

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: _____

Expiration Date: _____

API NUMBER

05 077 09956 00

Conditions Of Approval

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.

Best Management Practices

No BMP/COA Type **Description**

No BMP/COA Type	Description

Attachment Check List

Att Doc Num	Name
400614083	FORM 2 SUBMITTED
400614091	WELL LOCATION PLAT
400615548	DIRECTIONAL DATA
400615549	DEVIATED DRILLING PLAN
400617512	DIRECTIONAL DATA
400617516	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Return to draft. Bill would like to use existing API numbers from the abandoned locations and mark forms as refiles.	5/30/2014 11:06:50 AM

Total: 1 comment(s)