FORM 2 Rev 08/13

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: 400833790 **(SUBMITTED)**

Date Received: 05/01/2015

APPLICATION FOR PERMIT TO:

☒ **Drill** ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER ____ Refiling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐ Sidetrack ☐

Well Name: Piceance Well Number: 28-09W

Name of Operator: PICEANCE ENERGY LLC COGCC Operator Number: 10433

Address: 1512 LARIMER STREET #1000

City: DENVER State: CO Zip: 80202

Contact Name: Wayne P Bankert Phone: (970)812-5310 Fax: (303)339-4399

Email: wbankert@laramie-energy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120081

WELL LOCATION INFORMATION

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

Latitude: 39.250958 Longitude: -107.779447

		FNL/FSL		FEL/FWL
Footage at Surface:	1597 feet	FNL	1230 feet	FWL

Field Name: VEGA Field Number: 85930

Ground Elevation: 7556 County: MESA

GPS Data:

Date of Measurement: 03/11/2015 PDOP Reading: 1.5 Instrument Operator's Name: Brian Baker

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
	2125 FNL	874 FWL		2125 FNL	874 FWL
	Sec: 28 Twp: 9S Rng: 93W			Sec: 28 Twp: 9S Rng: 93W	

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Surface Owner is: (check all that apply)
- ☒ is the mineral owner beneath the location.
- ☐ 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: 444 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building:	2418	Feet
Building Unit:	5280	Feet
High Occupancy Building Unit:	5280	Feet
Designated Outside Activity Area:	5280	Feet
Public Road:	5280	Feet
Above Ground Utility:	2368	Feet
Railroad:	5280	Feet
Property Line:	1597	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: 250 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 874 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Section 28 All: Communitized BLM COC-76683

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: 7870 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 250 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H_2S 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: Recycle/reuse

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/re-used in other drilling operations. Once all drilling operations ared completed the drilling mud will be disposed of at a commecial disposal facility.

Beneficial reuse or land application plan submitted?

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	20+0/0	16+0/0	42	0	40	70	40	0
SURF	11+0/0	8+5/8	24.0	0	1533	306	1533	0
1ST	7+7/8	4+1/2	11.6	0	7870	1307	7870	1022

☐ 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
Produciton Layout
Access Road Map
Hydrology Map
Stormwater BMPs
Wildlife BMP's
Submitted as part of Location Assessment No. 334427(Doc 400768923)

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

Location ID: 334427

Is this application being submitted with an Oil and Gas Location Assessment application? No

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: 5/1/2015 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

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
1	Drilling/Completion Operations	One of the first wells drilled on the pad will be logged open-hole with a triple combo log (HRI w/ SP,GR, CAL and Spectral Density/Dual Spaced Neutron) from TD into the surface casing. All wells on the pad will have a radial analysis bond log with gamma-ray run on production casing from TD to surface after rig moves off pad. All wells not logged with an open hole log will have a cased hole NEO neutron emulated open hole log run from TD to surface.The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached.The Form 5 for a well without open-hole logs shall clearly state “No open-hole logs were run” and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400833790	FORM 2 SUBMITTED
400834052	DIRECTIONAL DATA
400834053	DRILLING PLAN
400834054	WELL LOCATION PLAT
400834055	DEVIATED DRILLING PLAN

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Returned to draft per Operator request to revise open-hole logging BMP.	5/5/2015 7:58:51 AM
Permit	Returned to draft per Operator request.	5/4/2015 7:49:47 AM

Total: 2 comment(s)