

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:

400285633

Date Received:

05/17/2012

PluggingBond SuretyID

20090106

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☐ COALBED ☐ OTHER ☐ Gas Storage ☐
SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐

Sidetrack ☐

3. Name of Operator: EAST CHEYENNE GAS STORAGE LLC

4. COGCC Operator Number: 10322

5. Address: 10901 WEST TOLLER DRIVE - SUITE 200

City: LITTLETON State: CO Zip: 80127

6. Contact Name: Greg Francis Phone: (720)351-4003 Fax: (720)351-4200

Email: gfrancis@mehllc.com

7. Well Name: ECGS Well Number: 6-15 WPD002-1

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

9. Proposed Total Measured Depth: 5240

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 6 Twp: 11N Rng: 52W Meridian: 6

Latitude: 40.959370 Longitude: -103.225320

Footage at Surface: 1611 feet FNL/FSL FNL 999 feet FEL/FWL FWL

11. Field Name: Peetz West Field Number: 68300

12. Ground Elevation: 4556 13. County: LOGAN

14. GPS Data:

Date of Measurement: 03/27/2012 PDOP Reading: 1.3 Instrument Operator's Name: Darren Veal

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

Sec: Twp: Rng: Sec: Twp: Rng:

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: 999 ft

18. Distance to nearest property line: 999 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 75 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.)
Dakota D	DSND	NA		NA

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):

Mineral Lease: Lot 3, Lot 4, Lot 7, SENW, SESW (192.59 Ac)

25. Distance to Nearest Mineral Lease Line: 999 ft

26. Total Acres in Lease: 192

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: _____

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
SURF	13+1/2	9+5/8	36	0	1,200	468	1,200	0
1ST	8+3/4	7+0/0	26	0	5,240	96	5,240	0

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

33. Comments Proposed well is to be drilled within the East Cheyenne Gas Storage area. Regulation of gas storage areas are admistrated by FERC. The well offsets the Gillham No 4 (Dakota D2 completion) well by approximately 75 feet and will be completed in a different sandstone interval (Dakota D3 completion)East Cheyenne Gas Storage, LLC holds both a surface gas storage lease and the mineral lease for the drill site location.

34. Location ID: 312239

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: Greg Francis

Title: Project Geologist Date: 5/17/2012 Email: gfrancis@mehllc.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: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

Att Doc Num	Name
400285633	FORM 2 SUBMITTED
400286030	WELL LOCATION PLAT
400286031	OTHER
400286032	LOCATION PICTURES
400286034	TOPO MAP

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date

Total: 0 comment(s)

BMP

Type	Comment
Drilling/Completion Operations	<p>East Cheyenne Gas Storage Best Management Practices & Procedures</p> <p>East Cheyenne Gas Storage, LLC will utilize the following "Best Management Practices "(BMP) where appropriate to prevent or reduce the impacts caused by gas and oil operations.</p> <p>1) When building new well sites, limit the surface area to be disturbed to that which is required. When a new well is drilled and put on production, reclaim the unneeded well pad area to reduce the disturbed surface area and allow the landowners to use it for agriculture.</p> <p>2) When a previously plugged well is re-entered to re-plug all abandoned production zones, abandoned well in such a manner so as to minimize any surface disturbance. No dry hole marker monument is to be used and well location is to be restored to previous grade.</p> <p>3) Return the land surface to pre-used condition by reforming the surface to match the surrounding area including: terracing, drainage replacement, drainage repair, and the re-seeding in a manner that is specified by the land use agreement or surface owner.</p> <p>4) Spray location to control noxious weeds annually.</p> <p>5) Inspect facilities for erosion and install erosion controls where required.</p> <p>6) Utilize existing roads as much as possible and build new roads to minimize land disturbance area.</p> <p>7) Fill drill site pits within 120 days after completion of well and subject to pit fluid levels, pit moisture, and weather.</p> <p>8) Hydrocarbon storage tanks are to be surrounded by impermeable berms to prevent spills from escaping off-site.</p> <p>9) Open top tanks and unattended pits that may contain hydrocarbons will be fenced and coved with nets to protect fowl and animals.</p> <p>10) Procedural plans are in place to prevent, control and cleanup hydrocarbon spills.</p> <p>Note: FERC Docket CP10-34-000 & PF09-12-000 cover the following general aspects of the East Cheyenne Gas Storage Project. Other filed documents with more detail are available for review on regulations and controls on gas storage development operations.</p>

Total: 1 comment(s)