

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:

400289257

Date Received:

05/25/2012

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 LLC4. COGCC Operator Number: 103225. Address: 10901 WEST TOLLER DRIVE - SUITE 200City: LITTLETON State: CO Zip: 801276. Contact Name: Greg Francis Phone: (720)351-4003 Fax: (720)351-4200Email: gfrancis@mehllc.com7. Well Name: ECGS Well Number: 6-18 WPD011-2

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

9. Proposed Total Measured Depth: 5260

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 6 Twp: 11N Rng: 52W Meridian: 6Latitude: 40.955460 Longitude: -103.215920

Footage at Surface: 2327 feet FNL/FSL 1559 feet FEL/FWL FEL

11. Field Name: Peetz West Field Number: 6830012. Ground Elevation: 4550 13. County: LOGAN

14. GPS Data:

Date of Measurement: 03/28/2012 PDOP Reading: 1.3 Instrument Operator's Name: Darren Veal15. 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 ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 155918. Distance to nearest property line: 313 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 ☐ 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):

SE Sec 6 T11N R52W

25. Distance to Nearest Mineral Lease Line: 313 ft

26. Total Acres in Lease: 160

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	450	1,200	0
S.C. 1.1	8+3/4	7+0/0	26	0	5,260	40	5,260	4,850
S.C. 1.2	8+3/4	7+0/0	26	0	5,260	50	4,850	4,450

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

33. Comments Form 2 is being submitted under the COGCC permitting guidelines dated may 27,2010. The document is entitled "East Cheyenne West Peetz Field Gas Storage Project Permitting & Reporting Requirements". Well will be drilled as a gas storage injection-withdrawal well.

34. Location ID: 389077

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: 5/25/2012 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
400289257	FORM 2 SUBMITTED
400289531	LOCATION DRAWING
400289532	OTHER
400289533	LOCATION PICTURES
400289534	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 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 covered with nets to protect fowl and animals.</p> <p>10) Procedural plans are in place to prevent, control and cleanup hydrocarbon spills.</p>

Total: 1 comment(s)