

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:

400288639

Date Received:

05/24/2012

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: 6-14 WPD008-1

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

9. Proposed Total Measured Depth: 5250

WELL LOCATION INFORMATION

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

Latitude: 40.962880 Longitude: -103.216300

Footage at Surface: 257 feet FNL/FSL 1642 feet FEL/FWL
FNL FEL

11. Field Name: Peetz West Field Number: 68300

12. Ground Elevation: 4544 13. County: LOGAN

14. GPS Data:

Date of Measurement: 03/28/2012 PDOP Reading: 1.6 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: 257 ft

18. Distance to nearest property line: 257 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1200 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			

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):

NWNE, NENE, S/2NE

25. Distance to Nearest Mineral Lease Line: 257 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+5/5	36	0	1,200	450	1,200	0
1ST	8+3/4	7+0/0	26	0	5,250	38	5,250	4,840
S.C. 1.1	8+3/4	7+0/0	26	0		46	4,840	4,440

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

33. Comments Well is being permitted under the COGCC permitting document dated May 27, 2010 titled "West Peetz Field Gas Storage Project Permitting and Reporting Requirements" Well will be drilled as an injection-withdrawal gas storage well in the Dakota D Sandstone.

34. Location ID: 312241

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: Projec Geologist Date: 5/24/2012 Email: gfrancis@mehllc.com

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:  Director of COGCC Date: 6/20/2012

API NUMBER

05 075 09403 00

Permit Number: _____ Expiration Date: 6/19/2014

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.

1) Provide 48 hour notice of spud via Form 42.

Attachment Check List

Att Doc Num	Name
400288639	FORM 2 SUBMITTED
400288733	TOPO MAP
400288734	LOCATION DRAWING
400288736	LOCATION PHOTO
400288738	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review completed; no LGD or public comment received.	6/19/2012 10:00:40 AM
Permit	The most likely scenario is the new well will replace the Schwake A-2 well. Both wells could be used with perforations in different members of the D sand.	6/19/2012 9:59:03 AM
Permit	Waiting on explanation on the Schwake A-2 twinned well and its relation ship to this well.	5/25/2012 7:38:02 AM

Total: 3 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> <ol style="list-style-type: none">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.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.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.4) Spray location to control noxious weeds annually.5) Inspect facilities for erosion and install erosion controls where required.6) Utilize existing roads as much as possible and build new roads to minimize land disturbance area.7) Fill drill site pits within 120 days after completion of well and subject to pit fluid levels, pit moisture, and weather.8) Hydrocarbon storage tanks are to be surrounded by impermeable berms to prevent spills from escaping off-site.9) Open top tanks and unattended pits that may contain hydrocarbons will be fenced and coved with nets to protect fowl and animals.10) Procedural plans are in place to prevent, control and cleanup hydrocarbon spills.

Total: 1 comment(s)