

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

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12/06/2012

PluggingBond SuretyID

20120081

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☐

Refiling ☒

Sidetrack ☐

3. Name of Operator: PICEANCE ENERGY LLC

4. COGCC Operator Number: 10433

5. Address: 1512 LARIMER STREET #1000

City: DENVER State: CO Zip: 80202

6. Contact Name: Julie Webb Phone: (303)339-4400 Fax: (303)339-4399

Email: jwebb@progressivepcs.net

7. Well Name: NVega Well Number: 22-144

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

9. Proposed Total Measured Depth: 8463

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 21 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.260558 Longitude: -107.766278

Footage at Surface: 1942 feet FNL/FSL 295 feet FEL/FWL FEL

11. Field Name: Vega Field Number: 85930

12. Ground Elevation: 7603 13. County: MESA

14. GPS Data:

Date of Measurement: 01/28/2009 PDOP Reading: 2.1 Instrument Operator's Name: Brian Bake/Uintah

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 675 FSL 330 FWL 675 FSL 330 FWL
Bottom Hole: FNL/FSL 675 FSL 330 FWL
Sec: 22 Twp: 9S Rng: 93W Sec: 22 Twp: 9S Rng: 93W

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: 3350 ft

18. Distance to nearest property line: 675 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 550 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.)
Mesa Verde	MVRD	399-4		S2N2, S2

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):

See attached (previously submitted)

25. Distance to Nearest Mineral Lease Line: 330 ft

26. Total Acres in Lease: 1749

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: Reclaim Water & Bury

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
CONDUCTOR	24	16	55	0	60	200	60	0
SURF	12+1/4	8+5/8	32	0	2,200	845	2,200	0
1ST	7+7/8	4+1/2	11.6	0	8,463	525	8,463	5,416

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

33. Comments I certify that all conditions in the original permit are the same. There have been no changes to land use, well construction or the lease. No 30 day notice or SUA are attached because Piceance Energy is the Surface Owner. This re-file Form 2 does not require a Form 2A because the pad has been constructed, the re-filed well will not require any expansion/additional surface disturbance of the pad. The location is not in a wildlife restricted surface occupancy area (RSO); consultation with CDOW is not required and the location does not require a variance from any of the rules listed in Rule 306.d.(1).(A).(ii).; consultation with CDPHE is not required.

34. Location ID: 334433

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: Julie Webb

Title: Regulatory Analyst Date: 12/6/2012 Email: jwebb@progressivepcs.net

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

05 077 09702 00

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.

Date retrieval failed for the subreport 'IntPolicy_MTO' located at: W:\testsub\Net\Report\policy_mto.rdl. Please check th

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