

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:

400361439

Date Received:

12/21/2012

PluggingBond SuretyID

20120081

## APPLICATION FOR PERMIT TO:

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

### 2. TYPE OF WELL

OIL  GAS  COALBED  OTHER pilot hole  
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)399-4400 Fax: (303)339-4399

Email: jwebb@progressivepcs.net

7. Well Name: NVega Well Number: 28-14H

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

9. Proposed Total Measured Depth: 14000

## WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 28 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.254245 Longitude: -107.781475

Footage at Surface: 406 feet FNL 660 feet FWL

11. Field Name: Vega Field Number: 85930

12. Ground Elevation: 7511 13. County: MESA

### 14. GPS Data:

Date of Measurement: 08/25/2010 PDOP Reading: 3.0 Instrument Operator's Name: Elwood Barry Giles

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: 1815 ft

18. Distance to nearest property line: 406 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3470 ft

## 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.)
Iles	ILES	399-4		
Niobrara	NBRR	369-8	640	All
Williams Fork	WMFK	399-4		

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):

T9S-R93W, Section 28: W/2NW/4, SE/4NW/4, SW/4 and Section 29 NE/4, E/2NW/4, NE/4SW/4, N/2SE/4

25. Distance to Nearest Mineral Lease Line: 406 ft 26. Total Acres in Lease: 640

### 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 wtr & bury cuttings

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	26	20	106#	0	90	140	90	0
SURF	17+1/2	13+3/8	68#	0	2,200	1,266	2,200	0
1ST	12+1/4	9+5/8	47#	0	8,500	630	8,500	4,900
2ND	8+1/2	7+5/8	29.7#	0	12,273	260	12,273	8,200
OPEN HOLE	7				14,000			

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

33. Comments This is a Vertical Pilot hole. We will drill this pilot hole and then run logs to confirm fracture orientation, etc. A separate form 2 APD has been filed for a horizontal lateral planned to be drilled from this wellbore. Please reference APD # 05-077-10109-01. Piceance owns the surface and therefore we have not attached a 30 day letter of SUA since they are not applicable. 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. This pad is not built. Closed loop system will be used. An existing 2A, doc # 400091952, has an expiration date of 10/26/2013.

34. Location ID: 420059

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: 12/21/2012 Email: jwebb@progressivepcs.net

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: Matthew Lee Director of COGCC Date: 1/25/2013

**API NUMBER**  
05 077 10109 00

Permit Number: \_\_\_\_\_ Expiration Date: 1/24/2015

**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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) COMPLIANCE WITH THE NOTICE TO OPERATORS DRILLING WELLS IN THE BUZZARD, MAMM CREEK, AND RULISON FIELDS, GARFIELD COUNTY AND MESA COUNTY IS REQUIRED. (PROCEDURES AND SUBMITTAL REQUIREMENTS FOR COMPLIANCE WITH COGCC ORDERS NOS. 1-107, 139-56, 191-22, AND 369-2 (JULY 8, 2010)). SEE ATTACHED NOTICE.

### Applicable Policies and Notices to Operators

NW Colorado Notification Policy.
Bradenhead Pressure Reporting-Garfield County (Mamm Creek & Rulison Fields) Mesa County (Buzzard Field).
Notice Concerning Operating Requirements for Wildlife Protection.

### Attachment Check List

Att Doc Num	Name
400361439	FORM 2 SUBMITTED

Total Attach: 1 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected spacing orders. Corrected dist. to nearest MVRD well to 3470'. Dist. to nearest NBRR well > one mile. Operator advised that if location not built prior to 2A expiration, an amended 2A must be submitted and approved prior to construction. No LGD or public comments. Final Review--passed.	1/24/2013 9:46:41 AM
Engineer	THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1-MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1-MILE IS 72 FEET DEEP.	1/4/2013 3:41:53 PM
Engineer	opr says "liner" has top of 0'. will ask/email if the 7.625" is liner -- if so, what is top (hanger depth). if goes up to surface, then is not "liner" also first tab lists TD @ 14000' yet casing tab deepest is 12273'	1/4/2013 3:40:11 PM
Permit	operator amended email contact information. This form passed completeness.	1/2/2013 10:20:50 PM
Permit	Return to draft: 2nd request 1. contact information for operator does not match database op. info.	12/30/2012 10:09:01 PM
Permit	Return to draft: 1. clarification of operator contact information needed (jwebb@billbarrettcorp.com/jwebb@progressivepcs.net).	12/24/2012 1:26:36 AM

Total: 6 comment(s)

### BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)