

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:

400456697

Date Received:

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 ☐

PluggingBond SuretyID

20120081

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: ()

Email: jwebb@progressivepcs.net

7. Well Name: Vega Federal Well Number: 34-444

8. Unit Name (if appl): Vega Unit Number: COC 47696B

9. Proposed Total Measured Depth: 8230

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 34 Twp: 9S Rng: 93W Meridian: 6

Latitude: 39.229580 Longitude: -107.750060

Footage at Surface: 1190 feet FNL/FSL 1077 feet FEL/FWL FEL

11. Field Name: Vega Field Number: 85930

12. Ground Elevation: 7877 13. County: MESA

14. GPS Data:

Date of Measurement: 09/11/2007 PDOP Reading: 6.0 Instrument Operator's Name: J. Kalmon, Bookcliff Surveying

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

Footage at Top of Prod Zone: FNL/FSL 550 FSL 250 FEL 550 FSL 250 FEL
Sec: 34 Twp: 9S Rng: 93W Sec: 34 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: 3216 ft

18. Distance to nearest property line: 122 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 630 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| WILLIAMS FORK-ILES | WFILS | 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: Sec. 33: NE/NE; Sec. 34: N2/NW, SE/SE

25. Distance to Nearest Mineral Lease Line: 250 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: Closed Loop

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 | 24, 32 | 0 | 2,200 | 740 | 2,200 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 8,230 | 477 | 8,230 | 5,426 |

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. This pad is built. No expansion or additional disturbance will occur. Closed loop system will be used. Piceance Energy is the surface owner to the west and north of the pad, waiving Rule 603a.. This Refile Form 2 does not require a Form 2A because the pad has been constructed, a closed loop system is being used so no pits need to be constructed, the refiled 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 306.d.(1).(A).(ii).; consultation with CDPHE is not required. Conductor casing was set during the first week of November 2008. Casing plan- Production casing top of cement will be >500' above top of gas.

34. Location ID: 334432

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: _____ 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 09533 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.

Data retrieval failed for the subreport 'IntPolicy_NTO' located at: W:\Instrub\Net\Reports\policy_nto.rdl. Please check th

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