FORM 2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

STATE OF COLORADO

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Rev 1120 Lincoln 12/05	Street, Suite 801, Denver,	Colorado 80205 Phone: (303) 894-2100) Fax: (303) 894-2109	OIL&	
	Document Number:				
1. Drill,	Deepen,	Re-enter,		te and Operate	400083386
2. TYPE OF WELL OIL 😿 GAS SINGLE ZONE	COALBED MULTIPLE ZON		LE ZONE	Refiling Sidetrack	Plugging Bond Surety 20090106
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: Daniel Benedict Phone: (720)315-4014 Fax: (720)315-4200 Email: dbenedict@mepco.us.com 7. Well Name: Gaylord Well Number: 2 8. Unit Name (if appl): Unit Number: Unit Number: 9. Proposed Total Measured Depth: 5430					
10. QtrQtr: SENE Latitude: 40.9292 Footage at Surface: 11. Field Name: Lewis 12. Ground Elevation:	1988	WELL LOCATION II pp:11N	/ Meridian: -103.231350_ FEL/FWL FWL_ d Number: /		
14. GPS Data: Date of Measurement:	07/30/2010 PDC	P Reading: 2.9 Instru	ment Operator's Na	me: Darren Vea	al
15. If well is Directi		ntal (highly deviated) sub	omit deviated drilling		FEL/FWL
Sec:	Twp: _	Rng:	Sec: T	wp: Rı	ng:
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: 666 ft 18. Distance to nearest property line: 666 ft 19. Distance to nearest well permitted/completed in the same formation: 930 ft 20. LEASE, SPACING AND POOLING INFORMATION					
Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assign		it Configuration (N/2, SE/4, etc.)
D Sandstone	DSND	Spacing Order Number(8)	Offic Acreage Assign	ied to vveii UII	it Comiguration (14/2, SE/4, etc.)
J Sandstone	JSND				

21. Mineral Ow	merchin:	X Fee	State F	ederal	Indian	Lease #:	
22. Surface Ov	•	▼ Fee		ederal	Indian	Lease #.	
	·					se Surety ID#:	
	23. Is the Surface Owner also the Mineral Owner?						
	_	, , ,		Yes	No No	0 (0000 (D)
23D. IT 23 IS INO	Surface Of	wners Agreement A	ttached or \$25,0	00 Blanket Surfa	ce Bon \$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):						
25. Distance to	Nearest Mine	eral Lease Line:	666 ft	26.	Total Acres in Lea	ise: <u>640</u>	-
		DF	RILLING PLANS	AND PROCEI	DURES		
27. Is H2S ant	icipated?	Yes	⋉ No	If Yes, attach co	ontingency plan.		
28. Will salt se	ctions be enc	ountered during dr	illing?	Yes	No		
29. Will salt (>	15,000 ppm T	DS CL) or oil base	ed muds be used d	luring drilling?	Yes 👿 N	o	
30. If question	s 27 or 28 are	yes, is this location	n in a sensitive ar	ea (Rule 903)?	Yes N		are "Yes" a pit
31. Mud dispo	sal: 🔽	Offsite On:	site			permit may be	requirea.
Method:	Land Farm	ing 🔀 La	and Spreading	Disposa	al Facility	Other:	
Note: The use	of an earthen	pit for Recompleti	on fluids requires	a pit permit (Rul	e 905b). If air/gas	drilling, notify loca	fire officials.
Casing Type	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	13+5/8	9+5/8	25.4	213	180	213	0
1ST	9+1/2	5+1/2	15.5	5,429	250	5,429	4,566
32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None 33. Comments Well is within the gas storage area. It is to be re-entered and re-completed as an injection/withdrawal well in the D sandstone. Metal shed 35 feet from well.							
34. Location ID: 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: Daniel Benedict Title: engineer Date: 8/10/2010 Email: dbenedict@mepco.us.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: 9/2/2010							
	PI NUMBER 0122 00	Permit N	Number: TIONS OF APPR	ROVAL, IF AN		on Date: <u>9/1/20</u>	12

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 24 hour notice of MIRU to Colby Horton at 970-467-2517 or e-mail at colby.horton@state.co.us.
- 2) Place stage cement to comply with Rule 317.i, set stage cement from 1300' to at least 50' above the existing surface casing shoe, and confirm cement coverage from TD to a minimum of 200' above D Sand. Verify coverage with cement bond log.
- 3) Pressure test the casing to confirm integrity.
- 4) Within 30 days after recomplete, submit Form 5 with CBL to document remedial cement in accordance with Rule 308A (change of wellbore configuration) and Form 5A to document new status of both formations in accordance with Rule 308B.

Attachment Check List

Att Doc Num	Name	Doc Description
400083386	FORM 2 SUBMITTED	LF@2521653 400083386
400083840	WELL LOCATION PLAT	LF@2521654 400083840
400083841	LOCATION DRAWING	LF@2521655 400083841
400083842	ТОРО МАР	LF@2521656 400083842
400083843	LOCATION PICTURES	LF@2521657 400083843

Total Attach: 5 Files

General Comments

<u>User Group</u>	Comment	Comment Date
Permit	metal shed 35 feet from well; not considered a building unit	8/26/2010 11:05:29 AM
Permit	safety setback distance is 35 feet; need clarification	8/26/2010 8:52:28 AM

Total: 2 comment(s)

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