

FORM  
2

Rev  
08/16

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:

401185777

APPLICATION FOR PERMIT TO:

☐ Drill ☐ Deepen ☐ Re-enter ☒ Recomplete and Operate

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER \_\_\_\_\_

Refilling ☐

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Sidetrack ☐

Date Received:

01/16/2017

Well Name: FEDERAL

Well Number: RGU 23-25-198

Name of Operator: TEP ROCKY MOUNTAIN LLC

COGCC Operator Number: 96850

Address: PO BOX 370

City: PARACHUTE

State: CO

Zip: 81635

Contact Name: VICKI SCHOEBER

Phone: (970)263-2721

Fax: ( )

Email: VSCHOEBER@TERRAEP.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: \_\_\_\_\_

WELL LOCATION INFORMATION

QtrQtr: LOT 7 Sec: 25 Twp: 1S Rng: 98W Meridian: 6

Latitude: 39.935558

Longitude: -108.339500

Footage at Surface: 2199 Feet FNL/FSL FNL 1761 Feet FEL/FWL FEL

Field Name: SULPHUR CREEK

Field Number: 80090

Ground Elevation: 6670

County: RIO BLANCO

GPS Data:

Date of Measurement: 11/18/2011 PDOP Reading: 1.3 Instrument Operator's Name: T. MORLEY

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

Footage at Top of Prod Zone: FNL/FSL FSL 1910 FWL 2331 FSL 1877 FWL  
2375 FSL 1910 FWL 2331 FSL 1877 FWL  
Sec: 25 Twp: 1S Rng: 98W Sec: 25 Twp: 1S Rng: 98W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian

The Surface Owner is: ☒ is the mineral owner beneath the location.

(check all that apply) ☒ is committed to an Oil and Gas Lease.

☒ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☐ Fee ☐ State ☒ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: \_\_\_\_\_ Surface Surety ID: \_\_\_\_\_

## LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

T1S-98W  
SECTION 24: LOTS 1-16  
SECTION 25: LOTS 1-16

Total Acres in Described Lease: 1238 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC60733

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1907 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet  
Building Unit: 5280 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 313 Feet  
Above Ground Utility: 3320 Feet  
Railroad: 5280 Feet  
Property Line: 5280 Feet

### INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).  
- Enter 5280 for distance greater than 1 mile.  
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.  
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

## DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone  
☐ Exception Zone  
☐ Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit  
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.  
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: \_\_\_\_\_

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: \_\_\_\_\_

## SPACING and UNIT INFORMATION

Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 421 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 3186 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): RYAN GULCH UNIT Unit Number: 068239X

## SPACING & FORMATIONS COMMENTS

This well is currently producing from the Sego and Corcorran of the Iles Formation. Requesting approval to recomplete into the Upper Mesaverde and Cameo of the Williams Fork Formation.

## OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| WILLIAMS FORK          | WMFK           |                         |                               |                                      |

## DRILLING PROGRAM

Proposed Total Measured Depth: 12875 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: \_\_\_\_\_ Feet ☒ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? \_\_\_\_\_

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? \_\_\_\_\_ (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

Will salt sections be encountered during drilling? \_\_\_\_\_

Will salt based (>15,000 ppm Cl) drilling fluids be used? \_\_\_\_\_

Will oil based drilling fluids be used? \_\_\_\_\_

BOP Equipment Type: ☐ Annular Preventor ☐ Double Ram ☐ Rotating Head ☐ None

## GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

## DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: \_\_\_\_\_ Drilling Fluids Disposal Methods: \_\_\_\_\_

Cuttings Disposal: \_\_\_\_\_ Cuttings Disposal Method: \_\_\_\_\_

Other Disposal Description:

Beneficial reuse or land application plan submitted? \_\_\_\_\_

Reuse Facility ID: \_\_\_\_\_ or Document Number: \_\_\_\_\_

## CASING PROGRAM

| Casing Type | Size of Hole | Size of Casing | Wt/Ft      | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|------------|---------------|---------------|-----------|---------|---------|
| CONDUCTOR   | 30           | 18             | 48         | 0             | 80            | 135       | 80      | 0       |
| SURF        | 14+3/4       | 9+5/8          | 32.3       | 0             | 4012          | 874       | 4012    | 1840    |
| 1ST         | 8+3/4        | 4+1/2          | 11.6       | 0             | 12865         | 1755      | 12865   | 5124    |
|             | 14+3/4       | 9+5/8          | Stage Tool |               | 1840          | 1226      | 1840    | 0       |

☐ Conductor Casing is NOT planned

## DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

## GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

## RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number \_\_\_\_\_

## OTHER LOCATION EXCEPTIONS

Check all that apply:

☐ Rule 318.c. Exception Location from Rule or Spacing Order Number \_\_\_\_\_

☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

## OPERATOR COMMENTS AND SUBMITTAL

Comments TEP Rocky Mountain LLC is requesting to recompleat the Federal RGU 23-25-198 well into the Cameo and Mesaverde formations. Current and proposed WBDs attached.

Proposed Procedure:

1. MIRU Service rig
2. RIH Tag fill
3. POOH while tallying and Tuboscoping tbg, lay down tbg
4. RIH w/ cast iron kill plug and set at appx 11,976. Dump bail cement on top of plug
5. Pressure test csg to surface to 9500 psi for 15 mins
6. Frac Lower cameo, upper cameo & MV 1-MV9
7. Drill out all plugs
8. RIH with 2 3/8" N-80 tbg and land at appx 12,400'
9. Return well to production

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ No \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: 422384

Is this application being submitted with an Oil and Gas Location Assessment application? \_\_\_\_\_ No \_\_\_\_\_

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_ Print Name: VICKI SCHOEBER

Title: REGULATORY SPECIALIST Date: 1/16/2017 Email: VSCHOEBER@TERRAEP.CO

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: 2/26/2017

Expiration Date: 02/25/2019

API NUMBER

05 103 11868 00

### Conditions Of Approval

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.

#### COA Type

#### Description

|  |   |
|--|---|
|  | The operator shall submit a new form 5 upon the completion activities as per this APD. It shall include all formations within the wellbore, updating and correcting all formation tops. |
|  | 1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy.   |

### Best Management Practices

#### No BMP/COA Type

#### Description

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

### Applicable Policies and Notices to Operators

|  |
|--|
| Policy   |
| NW Colorado Notification Policy.<br><a href="http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf">http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf</a>            |
| Notice Concerning Operating Requirements for Wildlife Protection.<br><a href="http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf">http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf</a> |

### Attachment Check List

#### Att Doc Num

#### Name

|           |                  |
|-----------|------------------|
| 401185777 | FORM 2 SUBMITTED |
| 401185803 | OTHER            |
| 401199052 | WELLBORE DIAGRAM |
| 401199053 | WELLBORE DIAGRAM |

Total Attach: 4 Files

### General Comments

#### User Group

#### Comment

#### Comment Date

|          |  |            |
|----------|--|------------|
| Permit   | Final review complete.   | 02/22/2017 |
| Permit   | Requested to change formation comments removing the Mesaverde which is confusing and incorrect.<br>Top of formation for Rollins doesn't match what has been previously reported.<br>Requested comformation/correction to Well Bore Diagram.  | 02/17/2017 |
| Engineer | Existing offset producing oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.<br><br>Attached revised wellbore diagrams provided by operator. Added stage tool to casing information.   | 02/01/2017 |
| Engineer | Top of production casing cement meets current isolation requirements.<br>Proposed total measured depth of 12,875' matches directional survey depth. Casing setting depth reported on Form 5 is 12,865'.<br>Emailed operator regarding wellbore diagram that meets COGCC wellbore diagram guidelines. | 01/26/2017 |
| Permit   | Passed completeness.   | 01/23/2017 |

Total: 5 comment(s)