

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter **Recomplete and Operate**

Date Received: 01/16/2017

TYPE OF WELL OIL GAS COALBED OTHER _____ Refilling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

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 FEL/FWL Bottom Hole: FNL/FSL FEL/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 Corcoran 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 H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? _____ (If Yes, attach an H₂S 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 recomplete 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: *Matthew Lee* 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

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Applicable Policies and Notices to Operators

Policy
NW Colorado Notification Policy. http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

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. Top of formation for Rollins doesn't match what has been previously reported. 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. 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. Proposed total measured depth of 12,875' matches directional survey depth. Casing setting depth reported on Form 5 is 12,865'. Emailed operator regarding wellbore diagram that meets COGCC wellbore diagram guidelines.	01/26/2017
Permit	Passed completeness.	01/23/2017

Total: 5 comment(s)