

**APPLICATION FOR PERMIT TO:**

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

|  |   |
|--|---|
| TYPE OF WELL    OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____<br>ZONE TYPE       SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input checked="" type="checkbox"/> | Refiling <input type="checkbox"/><br>Sidetrack <input type="checkbox"/> |
|--|---|

Date Received:  
06/13/2017

Well Name: CHEVRON      Well Number: TR 423-24-597  
 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: 20160057

**WELL LOCATION INFORMATION**  
 QtrQtr: SENW      Sec: 24      Twp: 5S      Rng: 97W      Meridian: 6  
 Latitude: 39.600640      Longitude: -108.231115  
 Footage at Surface:      2093      Feet      FNL      1463      Feet      FWL  
FNL/FSL      FEL/FWL  
 Field Name: TRAIL RIDGE      Field Number: 83825  
 Ground Elevation: 8507      County: GARFIELD  
 GPS Data:  
 Date of Measurement: 10/22/2013      PDOP Reading: 2.5      Instrument Operator's Name: J. KIRKPATRICK  
 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  
    1617      FSL      2536      FWL      1617      FSL      2536      FWL  
    Sec: 24      Twp: 5S      Rng: 97W      Sec: 24      Twp: 5S      Rng: 97W

**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.)

LEASE SHOWN IN YELLOW ON ATTACHED LEASE MAP.

Total Acres in Described Lease: 20658 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 2763 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: 5280 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 3183 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: 300 Feet

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

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

\_\_\_\_\_

## OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| ILES                   | ILES           | 510-57                  |                               |                                      |
| WILLIAMS FORK          | WMFK           | 510-57                  |                               |                                      |

## DRILLING PROGRAM

Proposed Total Measured Depth: 10764 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? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

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: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Cuttings trench

Other Disposal Description:

Beneficial reuse or land application plan submitted? No

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   | 26           | 18             | 47.4    | 0             | 100           | 167       | 100     | 0       |
| SURF        | 14+3/4       | 9+5/8          | 36 & 40 | 0             | 3273          | 1056      | 3273    | 0       |
| 1ST         | 8+3/4        | 4+1/2          | 11.6    | 0             | 10764         | 1106      | 10764   | 4784    |

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 plans to run a triple combo open hole log on one of the new wells as stated in the BMP, even though there may be a producing well on this pad that meets the 317.p criteria.

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

Location ID:       323928      

Is this application being submitted with an Oil and Gas Location Assessment application?       Yes      

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:       6/13/2017       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:       7/24/2017      

Expiration Date:       07/23/2019      

|                   |
|-------------------|
| <b>API NUMBER</b> |
| 05 045 23631 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.

| <u>COA Type</u> | <u>Description</u>   |
|-----------------|--|
|                 | Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).   |
|                 | If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016, revised October 6, 2016).   |
|                 | <p>1) Operator shall comply with the most current revision of the Northwest Colorado Notification Policy.</p> <p>2) Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1).</p> <p>3) Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) to 200' above the Wasatch G. Isolation is required for offset Wasatch G Sand production. Verify production casing cement coverage with a cement bond log.</p> <p>4) The Operator shall monitor the bradenhead pressure of the proposed well and all offset wells under Operator's control which penetrate the stimulated formation and have a treated interval separation of 300 feet or less. Monitoring shall occur from 24 hours prior to stimulation and shall continue until 24 hours after stimulation is complete. Recording shall be at a frequency of at least once per 24 hours with the capability of recording the maximum pressure observed during each 24 hour period. Operator shall notify COGCC Engineering staff if bradenhead pressures increase by more than 200 psig.</p> |

## Best Management Practices

| <u>No BMP/COA Type</u>           | <u>Description</u>  |
|----------------------------------|---|
| 1 Drilling/Completion Operations | TEP will run triple-combo open hole logs from well TD up to base of surface casing on one of the first wells drilled on a multi-well pad. Remaining wells on the pad will be logged with either cased hole pulsed neutron or triple-combo open hole. Every well will also have a CBL log from well TD up through well surface. Form 5 Completion Reports will identify wells on the pad with triple-combo open hole logs. |

Total: 1 comment(s)

## Applicable Policies and Notices to Operators

|  |
|--|
| Policy   |
| Piceance Rulison Field - Notice to Operators.<br><a href="http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf">http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf</a>         |
| 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

| <u>Att Doc Num</u> | <u>Name</u>        |
|--------------------|--------------------|
| 401286794          | FORM 2 SUBMITTED   |
| 401286899          | LEASE MAP          |
| 401305850          | WELL LOCATION PLAT |

|           |                        |
|-----------|------------------------|
| 401305851 | DIRECTIONAL DATA       |
| 401305852 | DEVIATED DRILLING PLAN |
| 401305853 | DEVIATED DRILLING PLAN |

Total Attach: 6 Files

### General Comments

| <u>User Group</u> | <u>Comment</u>   | <u>Comment Date</u> |
|-------------------|--|---------------------|
| Permit            | Final review complete.   | 07/20/2017          |
| Engineer          | <p>Offset water well check: Offset water well check: There are no permitted water wells within one mile of this proposed surface hole location. Operator's geologic prognosis indicates the proposed surface casing will cover the entire Green River formation.</p> <p>Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required. Offset producing wells completed in the Wasatch are present in sections 23, 25, and 26.</p> | 06/30/2017          |
| Permit            | Passed completeness.   | 06/23/2017          |

Total: 3 comment(s)