

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:  
401298098

APPLICATION FOR PERMIT TO:

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
06/29/2017

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_  
ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refiling   
Sidetrack

Well Name: TRI STATE TRUCKING      Well Number: PA 441-26  
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: 25      Twp: 6S      Rng: 95W      Meridian: 6  
Latitude: 39.496911      Longitude: -107.949729

Footage at Surface: 2275 Feet      FNL/FSL FNL 1887 Feet      FEL/FWL FWL

Field Name: PARACHUTE      Field Number: 67350  
Ground Elevation: 5224      County: GARFIELD

GPS Data:  
Date of Measurement: 04/12/2017    PDOP Reading: 1.0    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 FNL 144 FEL      FEL/FWL Bottom Hole: FNL/FSL FNL 144 FEL  
781      FNL      144      FEL      781      FNL      144      FEL  
Sec: 26      Twp: 6S      Rng: 95W      Sec: 26      Twp: 6S      Rng: 95W

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: No

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

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.)

T6S-R95W:

Section 13: Lots 1-4, E2, E2W2;

Section 23: Lots 1-10, SENE, NESW, N2SE

Section 24: Lots 1-5, NE, NENW, S2NW, N2S2

Section 25: NWNE, N2NW, SWNW, NWSW

Section 26: Lots 1, 2, 7, 8, N2SE, SWSE

Total Acres in Described Lease: 2140 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COC73094

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1531 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 763 Feet

Building Unit: 763 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 1153 Feet

Above Ground Utility: 987 Feet

Railroad: 1755 Feet

Property Line: 261 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: 03/29/2017

**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: 335 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.)
WILLIAMS FORK	WMFK	440-79		

## DRILLING PROGRAM

Proposed Total Measured Depth: 8666 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: 152 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	80	134	80	0
SURF	13+1/2	9+5/8	36	0	1100	266	1100	0
1ST	8+3/4	4+1/2	11.6	0	8666	1210	8666	2040

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:       335123      

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:       6/29/2017       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:       8/25/2017      

Expiration Date:       08/24/2019      

<b>API NUMBER</b>
05 045 23649 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

	<p>1)Operator shall comply with the most current revision of the Northwest 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 and injection. Verify production casing cement coverage with a cement bond log.</p>
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## Best Management Practices

### No BMP/COA Type

### Description

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.
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Total: 1 comment(s)

## Applicable Policies and Notices to Operators

Policy
Piceance Rulison Field - Notice to Operators. <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. <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. <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

401298098	FORM 2 SUBMITTED
401298973	CORRESPONDENCE
401298977	WELL LOCATION PLAT
401308524	DIRECTIONAL DATA
401308525	DEVIATED DRILLING PLAN
401314447	SURFACE AGRMT/SURETY
401327055	FED. DRILLING PERMIT
401336007	EXCEPTION LOC REQUEST

Total Attach: 8 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Spacing order 440-79 doesn't create a unit, therefore there is no distance to unit boundary, unit acreage, or unit configuration. Distance to the lease line is measured tofrom BHL to SW corner of NWNW/4 section 25. Final review complete.	08/22/2017
Permit	Preliminary review complete.	08/09/2017
LGD	Pass, KHW	07/31/2017
Engineer	Changed distance to wellbore belonging to another operator to 152 feet per operator. Operator provided anti-collision scan for the wells on this pad and dry and abandoned well MAHAFFEY #1-X that was drilled to 2500' and plugged back. MAHAFFEY #1 was drilled to 1410' and abandoned due to mechanical problems.	07/19/2017
Engineer	Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information was used to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 200 feet.  Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of the wellbores on this pad meet standards. No mitigation required. There is a Niobrara producer Puckett Land Company PA #744-26 API #045-22370 that meets standards within 1500 feet of planned wellbores on the pad. There is a Wasatch G well Federal #DOE 1-W-26 API #045-06583 that produced and injects within one mile of the surface location of the planned wellbores.	07/19/2017
Permit	Form passes completeness.	07/11/2017
Permit	Returned to draft per operator's request.	07/07/2017

Total: 7 comment(s)