

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



| | | | |
|--------------------------------------|----|----|----|
| DE | ET | OE | ES |
| Document Number: 401982969 | | | |
| Date Received: | | | |

SUNDRY NOTICE

Submit a signed original. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full in Comments or provide as an attachment. Identify Well by API Number; identify Oil and Gas Location by Location ID Number; identify other Facility by Facility ID Number.

OGCC Operator Number: 10417 Contact Name Timothy Hart
Name of Operator: INCREMENTAL OIL & GAS (FLORENCE) LLC Phone: (303) 999-5420
Address: 113 N SANTA FE AVE Fax: ()
City: FLORENCE State: CO Zip: 81226 Email: thart@fremontpetroleum.com

Complete the Attachment
Checklist

OP OGCC

API Number : 05- 043 06213 00 OGCC Facility ID Number: 425248
Well/Facility Name: BLUE MARLIN Well/Facility Number: 44-19
Location QtrQtr: SESE Section: 19 Township: 19S Range: 69W Meridian: 6
County: FREMONT Field Name: FLORENCE-CANON CITY
Federal, Indian or State Lease Number: _____

| | | |
|---------------------|--|--|
| Survey Plat | | |
| Directional Survey | | |
| Srvc Eqpmt Diagram | | |
| Technical Info Page | | |
| Other | | |

CHANGE OF LOCATION OR AS BUILT GPS REPORT

- ☐ Change of Location * ☐ As-Built GPS Location Report ☐ As-Built GPS Location Report with Survey

* Well location change requires new plat. A substantive surface location change may require new Form 2A.

SURFACE LOCATION GPS DATA Data must be provided for Change of Surface Location and As Built Reports.

Latitude _____ PDOP Reading _____ Date of Measurement _____
Longitude _____ GPS Instrument Operator's Name _____

LOCATION CHANGE (all measurements in Feet)

Well will be: _____ (Vertical, Directional, Horizontal)

Change of **Surface** Footage **From** Exterior Section Lines:

Change of **Surface** Footage **To** Exterior Section Lines:

Current **Surface** Location **From** QtrQtr SESE Sec 19

New **Surface** Location **To** QtrQtr _____ Sec _____

Change of **Top of Productive Zone** Footage **From** Exterior Section Lines:

Change of **Top of Productive Zone** Footage **To** Exterior Section Lines:

Current **Top of Productive Zone** Location **From** Sec 19

New **Top of Productive Zone** Location **To** Sec _____

Change of **Bottomhole** Footage **From** Exterior Section Lines:

Change of **Bottomhole** Footage **To** Exterior Section Lines:

Current **Bottomhole** Location Sec 29 Twp 19S

New **Bottomhole** Location Sec _____ Twp _____

Is location in High Density Area? _____

Distance, in feet, to nearest building _____, public road: _____, above ground utility: _____, railroad: _____,

property line: _____, lease line: _____, well in same formation: _____

Ground Elevation _____ feet Surface owner consultation date _____

| FNL/FSL | | FEL/FWL | |
|----------------|------------------|-------------------|-----|
| 892 | FSL | 1184 | FEL |
| | | | |
| Twp <u>19S</u> | Range <u>69W</u> | Meridian <u>6</u> | |
| Twp _____ | Range _____ | Meridian _____ | |
| 581 | FSL | 1008 | FEL |
| | | | |
| Twp <u>19S</u> | Range <u>69W</u> | | |
| Twp _____ | Range _____ | | |
| 1763 | FNL | 292 | FWL |
| | | | |
| | | | |

**

**

** attach deviated drilling plan

CHANGE OR ADD OBJECTIVE FORMATION AND/OR SPACING UNIT

| <u>Objective Formation</u> | <u>Formation Code</u> | <u>Spacing Order Number</u> | <u>Unit Acreage</u> | <u>Unit Configuration</u> |
|----------------------------|-----------------------|-----------------------------|---------------------|---------------------------|
| | | | | |

OTHER CHANGES

☐ **REMOVE FROM SURFACE BOND** Signed surface use agreement is a required attachment

☐ **CHANGE OF WELL, FACILITY OR OIL & GAS LOCATION NAME OR NUMBER**

From: Name BLUE MARLIN Number 44-19 Effective Date: _____

To: Name _____ Number _____

☐ **ABANDON PERMIT: Permit can only be abandoned if the permitted operation has NOT been conducted. Field inspection will be conducted to verify site status.**

☐ WELL: Abandon Application for Permit-to-Drill (Form2) – Well API Number _____ has not been drilled.

☐ PIT: Abandon Earthen Pit Permit (Form 15) – COGCC Pit Facility ID Number _____ has not been constructed (Permitted and constructed pit requires closure per Rule 905)

☐ CENTRALIZED E&P WASTE MANAGEMENT FACILITY: Abandon Centralized E&P Waste Management Facility Permit (Form 28) – Facility ID Number _____ has not been constructed (Constructed facility requires closure per Rule 908)

OIL & GAS LOCATION ID Number: _____

☐ Abandon Oil & Gas Location Assessment (Form 2A) – Location has not been constructed and site will not be used in the future.

☐ Keep Oil & Gas Location Assessment (Form 2A) active until expiration date. This site will be used in the future.

Surface disturbance from Oil and Gas Operations must be reclaimed per Rule 1003 and Rule 1004.

☐ **REQUEST FOR CONFIDENTIAL STATUS**

☐ **DIGITAL WELL LOG UPLOAD**

☐ **DOCUMENTS SUBMITTED** Purpose of Submission: _____

RECLAMATION**INTERIM RECLAMATION**

☐ Interim Reclamation will commence approximately _____

Per Rule 1003.e.(3) operator shall submit Sundry Notice reporting interim reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Interim reclamation complete, site ready for inspection.

Per Rule 1003.e(3) describe interim reclamation procedure in Comments below or provide as an attachment and attach required location photographs.

Field inspection will be conducted to document Rule 1003.e. compliance

FINAL RECLAMATION

☐ Final Reclamation will commence approximately _____

Per Rule 1004.c.(4) operator shall submit Sundry Notice reporting final reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Final reclamation complete, site ready for inspection. Per Rule 1004.c(4) describe final reclamation procedure in Comments below or provide as an attachment.

Field inspection will be conducted to document Rule 1004.c. compliance

Comments:**ENGINEERING AND ENVIRONMENTAL WORK**☐ NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS

Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).

Date well temporarily abandoned _____ Has Production Equipment been removed from site? _____

Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT _____

☐ SPUD DATE: _____

TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

Details of work must be described in full in the COMMENTS below or provided as an attachment.

☒ NOTICE OF INTENT Approximate Start Date 03/26/2019

☐ REPORT OF WORK DONE Date Work Completed _____

- | | | |
|--|---|--|
| <input type="checkbox"/> Intent to Recomplete (Form 2 also required) | <input checked="" type="checkbox"/> Request to Vent or Flare | <input type="checkbox"/> E&P Waste Mangement Plan |
| <input type="checkbox"/> Change Drilling Plan | <input type="checkbox"/> Repair Well | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Change | <input type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request. | |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases | |

COMMENTS:

Operator requests continued approval to vent associated/produced gas for this well. The estimated volume of gas to be flared is 10.4 MCFD; gas content is primarily methane and heat content is 1078-1182 BTU/SCF; H2S is less than 1 ppm and is Below Detection Limit (BDL); extended gas analysis is attached.

This request is based lack of available infrastructure due to being in a remote area with no immediate plans to construct infrastructure. The nearest tie-in point is greater than 10 miles from this well and pipeline installation costs alone are estimated at \$400,000/mile for a total in excess of \$4 million.

Based on 10.4 MCFD and current natural gas spot price of \$2.39/MMBtu, gross gas revenue for this well before factoring operating costs would be approximately \$25.10/day, or \$9,160/year. Operator has 1 additional producing well within a half-mile radius of the subject well. Collectively those wells produce an average of <12 MCFD at \$2.39/MMBtu, gross gas revenue for this well before factoring operating costs would be approximately \$28.68/day or \$10,468/year. Therefore, installation of gas infrastructure is viewed as uneconomic at this time. Operator intends to drill up to four wells in the Florence Field per year in the near term. Operator is actively seeking a gas sales contract with a potential buyer; tie-in to the subject well will be reevaluated for economic feasibility when that system is constructed.

In accordance with CDPHE APCD regulations, Operator vents this low volume of gas and has secured site-specific permits as required by CDPHE APCD (see CDPHE permit #12FR1207 for AIRS ID 043/0173/001). The operator has complied with rule 805.b. (1) and CDPHE APCD Regulation numbers 2, 3, and 7, where applicable. In accordance with Rule 912, gas vented or used on this lease is reported on Operator's Monthly Report of Operations, Form 7.

CASING AND CEMENTING CHANGES

| Casing Type | Size | Of | / | Hole | Size | Of | / | Casing | Wt/Ft | Csg/LinTop | Setting Depth | Sacks of Cement | Cement Bottom | Cement Top |
|-------------|------|----|---|------|------|----|---|--------|-------|------------|---------------|-----------------|---------------|------------|
| | | | | | | | | | | | | | | |

H2S REPORTING

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

Gas Analysis Report must be attached.

H2S Concentration: 0 in ppm (parts per million)

Date of Measurement or Sample Collection 05/07/2019

Description of Sample Point:

Well casing at O&G well wellhead.

Absolute Open Flow Potential 10.4 in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Requesting to vent up to 10.4 CFPD (the APFP of the well). The amount of vented gas will be kept to a minimum and will be adjusted downward so it is just enough to ensure oil production in the well. No H2S release potential, H2S is below detection limit.

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: 278 FEET

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: 229 FEET

COMMENTS:

Best Management Practices

No BMP/COA Type

Description

Operator Comments:

Operator requests continued approval to vent associated/produced gas for this well. H2S is less than 1 ppm and is Below Detection Limit (BDL). This request is based lack of available infrastructure due to being in a remote area with no immediate plans to construct infrastructure due to uneconomic conditions. Production in the Florence field began in 1876. Very little gas is produced in the field. With an average depth in the field of approximately 3,000 ft., a normal pressure gradient would be 1,200 psig. However, the well currently has <2 psig. Shutting in the annulus results in backpressure which significantly reduces oil production. Due to low per well rates in the field and lack of nearby access to a gas gathering system, installation of a gas gathering system including a system to meet pipeline specifications, is uneconomic. Additional required information is found in the Engineering tab comments.

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

Signed: _____ Print Name: Chris Del Hierro

Title: Consultant Email: chris@cdhconsult.com Date: _____

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY:

| <u>COA Type</u> | <u>Description</u> |
|-----------------|--------------------|
| | |

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|---------------------|
| Engineer | returning the sundries for venting/flaring back to DRAFT – they are incomplete for the request – guidance document on our website – Regulation – Policies – Rule 912 | 08/13/2019 |

Total: 1 comment(s)

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|---------------------|
| 401982970 | GAS ANALYSIS REPORT |
| 402207880 | GAS ANALYSIS REPORT |

Total Attach: 2 Files