

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:
402448182

APPLICATION FOR PERMIT TO:

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

Date Received:
09/11/2020

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____

Refiling ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Blue Teal Fed Well Number: 15-3-2HN
Name of Operator: MALLARD EXPLORATION LLC COGCC Operator Number: 10670
Address: 1400 16TH STREET SUITE 300
City: DENVER State: CO Zip: 80202
Contact Name: Erin Mathews Phone: (720)543 7951 Fax: ()
Email: emathews@mallardexploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20170115

WELL LOCATION INFORMATION

QtrQtr: NWNE Sec: 22 Twp: 8N Rng: 60W Meridian: 6
Latitude: 40.653830 Longitude: -104.076074
Footage at Surface: 480 Feet FNL/FSL FNL 2301 Feet FEL/FWL FEL
Field Name: WILDCAT Field Number: 99999
Ground Elevation: 4894 County: WELD
GPS Data: GPS Quality Value: 1.8 Type of GPS Quality Value: PDOP Date of Measurement: 08/09/2017
Instrument Operator's Name: Ian Carabajal

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
300 FSL 965 FWL 1715 FSL 965 FWL
Sec: 15 Twp: 8N Rng: 60W Sec: 3 Twp: 8N Rng: 60W

LOCAL GOVERNMENT INFORMATION

County: WELD Municipality: N/A

Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."

The local government with jurisdiction is: County

Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this location? If the local government does regulate the siting, but has waived its right to precede the COGCC in siting determination, indicate by selecting "YES" here and selecting "Waived" for the disposition below. ☒ Yes ☐ No

If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location. ☒

The local government siting permit type is: WOGLA

The local government siting permit was filed on: 04/22/2019

The disposition of the application filed with the local government is: Approved

Additional explanation of local process:

WOGLA19-0061 submitted 4/22/2019, Approved 8/16/2019.

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.)

SW/4, 15, 8N, 60W

Total Acres in Described Lease: 160 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: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building:	<u>5280</u> Feet
Building Unit:	<u>5280</u> Feet
High Occupancy Building Unit:	<u>5280</u> Feet
Designated Outside Activity Area:	<u>5280</u> Feet
Public Road:	<u>2295</u> Feet
Above Ground Utility:	<u>2261</u> Feet
Railroad:	<u>5280</u> Feet
Property Line:	<u>337</u> Feet
School Facility:	<u>5280</u> Feet
School Property Line:	<u>5280</u> Feet
Child Care Center:	<u>5280</u> 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, Designated Outside Activity Area, School Facility, and Child Care Center – 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: 670 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 300 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

If this Form 2 is associated with a Drilling and Spacing Unit application, provide docket number: _____

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
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NIOBRARA	NBRR	535-1325	3200	9N:27,34; 8N:3,10,15
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DRILLING PROGRAM

Proposed Total Measured Depth: 19088 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: 285 Feet ☐ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S 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? Yes

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: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

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	26	16	43	0	80	50	80	0
SURF	13+1/2	9+5/8	36	0	1850	625	1850	0
1ST	8+1/2	5+1/2	20	0	19088	2750	19088	

☐ 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	<p>This Form 2 is being submitted as a refile of API 05-123-48417 formerly known as Blue Teal 15-10-3HN.</p> <p>This is part of a multi-pad realignment to maximize efficiency and decrease number and acreage of surface disturbance for wells under Order 535-1325 covering Sections 27 & 34 of 9N-60W and the Sections 3, 10, & 15 of 8N-60W.</p> <p>The PT-1 (API: 05-123-46553) to be known as Pintail Fed 3-15-9HN will be renamed and adjusted to extend into Sections 15, 10, and 3 with revised TPZ and BHL to meet setbacks in accordance with proposed spacing amendments within approved Order 535-1325. The SHL will move within the Pintail Pad (Loc ID 454414) for engineering purposes. Sundry Doc #402449282 is being submitted for the Pintail Pad location to update the Cultural Distances and multi-well plan.</p> <p>The Blue Teal 15-10-1HN (API: 05-123-48426) to be known as Blue Teal Fed 15-3-1HN, Blue Teal 15-10-3HN (API: 05-123-48417) to be known as Blue Teal Fed 15-3-2HN, Blue Teal 15-10-5HN (API: 05-123-48425) to be known as Blue Teal Fed 15-3-3HN, Blue Teal 15-10-7HN (API: 05-123-48414) to be known as Blue Teal Fed 15-3-4HC, Blue Teal 15-10-8HN (API: 05-123-48423) to be known as Blue Teal Fed 15-3-5HN, Blue Teal Fed 15-10-11HC (API: 05-123-48415) to be known as Blue Teal Fed 15-3-6HN, Blue Teal Fed 15-10-13HN (API: 05-123-48427) to be known as Blue Teal Fed 15-3-7HN, Blue Teal Fed 15-10-15HC (API: 05-123-48420) to be known as Blue Teal Fed 15-3-8HN, and Blue Teal Fed 15-10-16HN (API: 05-123-48424) to be known as Blue Teal Fed 15-3-9HN will be renamed, extended, and respaced and across Sections 15, 10, and 3 with revised TPZ and BHL to meet setbacks in accordance with proposed spacing amendments within Order 535-1325.</p> <p>The Blue Teal 15-10-2HC (API: 05-123-48413), Blue Teal 15-10-4HN (API: 05-123-48416), Blue Teal 15-10-6HC (API: 05-123-48428), Blue Teal Fed 15-10-9HN (API: 05-123-48421), Blue Teal Fed 15-10-10HN (API: 05-123-48419), Blue Teal Fed 15-10-12HN (API: 05-123-48422), and Blue Teal Fed 15-10-14HN (API: 05-123-48418) are being abandoned from the location.</p> <p>The Rouen Pad (Loc ID 466757) is being abandoned along with its associated 14 Wells (05-123-50389, 05-123-50390, 05-123-50391, 05-123-50392, 05-123-50393, 05-123-50394, 05-123-50395, 05-123-50396, 05-123-50397, 05-123-50398, 05-123-50399, 05-123-50400, 05-123-50401, 05-123-50402).</p> <p>There have been no new buildings constructed and no changes to the surrounding land use and mineral lease description. The SHL of the existing wells have been adjusted slightly within the proposed disturbance. The well site has not yet been constructed. This location is not in a buffer or exception zone, so no notices are required under Rule 305. All previously submitted notices, Surface Use Agreements, and letters are also still valid. Sundry Doc #402448189 is being submitted for the Blue Teal Pad location to update the equipment and multi-well plan.</p> <p>The nearest well in information has been updated to reflect the respaced laterals.</p> <p>Nearest well in unit per anti-collision is the Blue Teal Fed 15-3-1HN.</p> <p>Nearest outside operated well per anti-collision is the Federal - Weld 1 (API: 05-123-05577) DA Status.</p>
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This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 458635

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: Justin Garrett

Title: Regulatory Analyst Date: 9/11/2020 Email: regulatory@ascentgeomatrics.c

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 provide water in the location set forth in the water right decree, COGCC permit, applicable order, and for exchange in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

COGCC Approved:  Director of COGCC Date: 11/13/2020
Expiration Date: 11/12/2022

API NUMBER

05 123 48417 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>
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with cement bond log. Confirm rule and cement coverage with COGCC Area Engineer prior to drilling this well. 3) Oil-based drilling fluid is to be used only after all fresh water aquifers are covered. 4) The Operator will abide by the COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area, May 29, 2012. 5) Operator agrees to increase surface casing setting depth to 1850' and will adjust cement volume accordingly.
Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	Operator acknowledges the proximity of the listed non-operated wells. Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 3). Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. FEDERAL - WELD *1 (API 123-FEDERAL - WELD *1) STATE *H (API 123-STATE *H)
Drilling/Completion Operations	If the location has not been built by the Form 2A (Doc #401388025) expiration date of 11/21/2021, Operator must Refile the Form 2A for approval prior to location construction.

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Blowout Prevention Equipment ("BOPE"): A double ram annular preventer will be used during drilling.
2	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
3	Drilling/Completion Operations	Alternative Logging Program: One of the first wells drilled on the pad will be logged with an open-hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a Cement Bond Log with Gamma-Ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify the type of log and the well (by API#) in which open-hole logs were run.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402448182	FORM 2 SUBMITTED
402479612	SURFACE AGRMT/SURETY
402485006	WELL LOCATION PLAT
402485007	DEVIATED DRILLING PLAN
402485009	DIRECTIONAL DATA
402487429	OffsetWellEvaluations Data
402532710	OFFSET WELL EVALUATION

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	11/12/2020
Permit	Permit review complete.	11/10/2020
Engineer	<ul style="list-style-type: none"> •Surface Casing Check complete •Offset well review complete 317.r - No wells 317.s - No wells •Engineering review complete 	11/10/2020
Permit	Following additional analysis arising out of the Objective Criteria, the Director determined that this application meets the standard for the protection of public health, safety, and welfare and the environment, including wildlife resources set by SB 19-181. The Objective Criteria Review Memo (Doc# 1347990) can be found in the document file for Location ID 458635.	11/10/2020
OGLA	IN PROCESS comment - Received requested information from operator on 10/28/2020. COGCC review will resume and be conducted within 60 days (by 12/27/2020).	10/29/2020
OGLA	<p>ON HOLD: This application has been reviewed by COGCC staff and cannot be approved based on the information submitted; therefore, the COGCC is placing this form ON HOLD until additional information is received from the applicant. In compliance with § 24-65.1-108(1), C.R.S., the COGCC is providing this written request for all additional information necessary for the COGCC to respond to this application. The applicant may provide all requested additional information to COGCC via email. Upon receipt of all requested information, the COGCC will have 60 days in which to approve, deny, or request all additional information necessary to complete the regulatory review. If the applicant no longer requires this application be approved, the applicant may request to withdraw the application.</p> <p>In addition to all standard required information and attachments, the COGCC hereby confirms the following information is necessary for review:</p> <p>1. This Form 2 application meets one or more Objective Criteria. The applicant must address the Objective Criteria on a Form 4 Sundry Notice submitted to the related Location ID (Loc ID# 458635). As Form 4 Doc# 402448189 is already IN PROCESS, the updated Best Management Practices to address the following may be in direct response to this email, rather than via a new additional Form 4 Sundry, and will be added to the Sundry:</p> <p>a. Pertaining to Objective Criteria #5c: Provide a BMP for any liner planned for use under the drilling rig.</p> <p>b. Pertaining to Objective Criteria #5c: Provide an updated stormwater management BMP providing examples (including but not limited to) of what types of controls are to be implemented on the location.</p> <p>2. Due to the move in surface hole location, the Operator must provide an updated LOCATION DRAWING. This may be provided via email and will be added to the Sundry Form 4 Doc# 402448189 that is already IN PROCESS.</p> <p>a. NOTE: the updated location drawing should show the proposed location of oil and water tanks to confirm the location complies with Rule 605.a.(8). which states that tanks shall be a minimum of 75 feet away from a well head. If the Operator prefers, this may be detailed separately on a FACILITY LOCATION DRAWING, in which case an updated LOCATION DRAWING and a FACILITY LAYOUT DRAWING would need to be provided.</p> <p>3. The following questions pertain to the Permitting technical review:</p> <p>a. The Blue Teal Fed 15-3-1HN (Doc #402448181) is being refiled with an API (123-48426) that has been abandoned. Please confirm that the refile API can be corrected to API 123-48413, the well formally known as The Blue Teal Fed 15-10-2HC, and that the comment on the submit tab can be corrected to reflect the updated well.</p> <p>b. The operator comment on the submit tab for all the applications needs to be updated to correctly state that the Blue Teal Fed 15-10-1HN was abandoned, and the Blue Teal Fed 15-10-2HC is being used for the refiles. Please send a corrected comment to add to all refiles.</p> <p>c. The Blue Teal Fed 15-10-14HN (123-48418) has not been abandoned. Please submit a sundry to AL this well, and respond with the Doc number for the sundry.</p>	10/27/2020
Permit	Passed Completeness.	09/16/2020

Total: 7 comment(s)