

FORM

2

Rev
02/20

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:

402296023

APPLICATION FOR PERMIT TO:

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

Date Received:

09/17/2020

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____Refiling ☒ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Prairie LE

Well Number: 17-013HC

Name of Operator: GREAT WESTERN OPERATING COMPANY LLC

COGCC Operator Number: 10110

Address: 1001 17TH STREET #2000

City: DENVER State: CO Zip: 80202

Contact Name: Linsey Jones

Phone: (720)595-2218

Fax: ()

Email: ljones@gwp.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20160041

WELL LOCATION INFORMATION

QtrQtr: SESW Sec: 20 Twp: 1S Rng: 66W Meridian: 6

Latitude: 39.944912

Longitude: -104.803915

Footage at Surface: 577 Feet FNL/FSL FSL 1377 Feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 5046

County: ADAMS

GPS Data: GPS Quality Value: 1.1 Type of GPS Quality Value: PDOP Date of Measurement: 09/21/2018

Instrument Operator's Name: Jared Christopher

If well is ☐ Directional ☒ Horizontal (highly deviated) submit deviated drilling plan.
 Footage at Top of Prod Zone: FNL/FSL FSL 1855 FWL 150 FNL 1855 FWL
 Sec: 20 Twp: 1S Rng: 66W Sec: 17 Twp: 1S Rng: 66W

LOCAL GOVERNMENT INFORMATION

County: ADAMS

Municipality: Brighton

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: Municipality

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 ☐ NoIf 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: CUG

The local government siting permit was filed on: 08/23/2019

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

Additional explanation of local process:

The CUG was approved on 1/27/2020

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: 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.)

Irregular lease - see map attached

Total Acres in Described Lease: 291 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>1584</u> Feet |
| Building Unit: | <u>1584</u> Feet |
| High Occupancy Building Unit: | <u>5280</u> Feet |
| Designated Outside Activity Area: | <u>5280</u> Feet |
| Public Road: | <u>563</u> Feet |
| Above Ground Utility: | <u>544</u> Feet |
| Railroad: | <u>5123</u> Feet |
| Property Line: | <u>577</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: 292 Feet

| | | |
|--|-----|---|
| Distance from Completed Portion of Wellbore to Nearest Unit Boundary | 200 | Feet (Enter 5280 for distance greater than 1 mile.) |
|--|-----|---|

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

SPACING & FORMATIONS COMMENTS

DSU
T1S R66W
Section 17 W 1/2
Section 20 W 1/2

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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | 407-2901 | 640 | Sec 17, 20 W 1/2 |

DRILLING PROGRAM

Proposed Total Measured Depth: 18560 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: 226 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 318A

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 |
|-------------|--------------|----------------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 13+1/2 | 9+5/8 | 36 | 0 | 1700 | 717 | 1700 | 0 |
| 1ST | 8+1/2 | 5+1/2 | 17 | 0 | 18560 | 2364 | 18560 | |

☒ 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

Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation was measured in 3D to the proposed Prairie LE 17-013HN.

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells, was measured in 2D to the DAVIS 1, API #05-001-06809, owned by Extraction Oil & Gas. The well is PA status and therefore, no 317.s stimulation setback consent is needed.

This well has a bottom hole location beyond the unit boundary setback. The bottom of the completed interval will be within the unit boundary setback at 200' FNL and 1855' FWL of Section 17. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

The Exception Location Waiver for Rule 318A.a and Rule 318A.c is in the attached Surface Use Agreement on page 13 section 6.15 (B).

The API is being reused from a previously submitted Brighton Lakes APD. Every aspect of the wellbore is changing including the well name, drilling and casing program, offset well evaluation and attachments.

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

Location ID: 450942

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: Linsey Jones

Title: Regulatory Analyst Date: 9/17/2020 Email: regulatorypermitting@gwp.com

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, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved:  Director of COGCC Date: 1/10/2021

Expiration Date: 01/09/2023

API NUMBER

05 001 10071 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 | Drilling Beyond the Unit Boundary Setback: Operator will ensure the wellbore beyond the unit boundary setback is physically isolated and is not completed. In the Operator Comments on the Form 5A the operator will (1) report the footages from the section lines of the bottom of the completed interval, (2) describe how the wellbore beyond the unit boundary setback is physically isolated, and (3) certify that none of the wellbore beyond the setback was completed. |
| Construction | If location is not built by 2A expiration 08/19/2023, Operator must Refile Form 2A for approval prior to location construction. |
| 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) Comply with Rule 317.j. and provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all fresh water aquifers are covered. |
| 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. |

Best Management Practices

| No | BMP/COA Type | Description |
|-----------|--------------------------------|--|
| 1 | Drilling/Completion Operations | Closed Loop Drilling – Pit Restrictions Rule 604.c.(2)B. Great Western Operating Company, LLC (GWOC) will be utilizing a closed loop drilling system. |
| 2 | Drilling/Completion Operations | Drill stem tests (Rule 604.c.(2)L Conventional drill stem tests will not be conducted on DJ Basin horizontal wells currently being executed or planned by Great Western. If plans change in the future a well specific drill stem testing plan will be prepared for that particular well. Note that GREAT WESTERN may elect to use one of several available wireline deployed tools for the purpose of measuring down hole formation pressures and/or collecting down hole fluid samples from the target formation(s) of a particular well. |
| 3 | Drilling/Completion Operations | Wellbore Collision Prevention – Rule 317.r Prior to drilling operations, Great Western will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. |
| 4 | Drilling/Completion Operations | Stimulation Setback – Rule 317.s Great Western shall obtain signed written consent for any portion of the proposed wellbore's treated interval within 150' of an existing (producing, Shut-in, or temporarily abandoned) or permitted oil and gas well's treated interval belonging to another operator prior to completion of the well. |
| 5 | Drilling/Completion Operations | Bradenhead Monitoring Great Western will comply with the "COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012 |
| 6 | Drilling/Completion Operations | Multi Well Open-Hole Logging – Rule 317.p Alternative Logging Program: One of the first wells drilled on the pad will be logged with 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 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: 6 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

| Att Doc Num | Name |
|--------------------|--------------------|
| 402296023 | FORM 2 RESUBMITTED |

| | |
|-----------|----------------------------|
| 402486213 | FORM 2 REJECTED |
| 402489807 | OffsetWellEvaluations Data |
| 402489815 | DEVIATED DRILLING PLAN |
| 402489816 | WELL LOCATION PLAT |
| 402489817 | EXCEPTION LOC REQUEST |
| 402489819 | MINERAL LEASE MAP |
| 402489820 | SURFACE AGRMT/SURETY |
| 402490025 | DIRECTIONAL DATA |
| 402570783 | OFFSET WELL EVALUATION |

Total Attach: 10 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|----------------------|--|---------------------|
| Permit | Final Review Completed. | 01/08/2021 |
| Permit | COGCC conducted the technical review for the related Oil and Gas Location Assessment permit, Form 2A document #402165116 under the statutory authority provided through SB 19-181, including the Objective Criteria. The Director approved the Form 2A on 8/20/2020, amending Location ID #450942 subject to conditions included in the permit. The well proposed by this related Form 2 was contemplated during COGCC's review of the Form 2A. The Objective Criteria Review Memo (Doc# 2369270) can be found in the document file for this Location. | 01/07/2021 |
| Permit | <ul style="list-style-type: none"> •Corrected a typo on the submit tab comment as requested by the operator. •Permitting review complete and task passed. | 01/07/2021 |
| OGLA | COGCC staff reviewed and considered all public comments received for this Form 2. | 11/25/2020 |
| Permit | Passed completeness. | 10/06/2020 |
| Permit (Rejected) | REJECTION: This APD has been rejected per the COGCC Rejection Process (updated May 21, 2019). Surface & Minerals Tab: The response to, "Minerals beneath this Oil and Gas Location will be developed by this Well", is incorrect; the attached Surface Use Agreement is expired and needs to be replaced with the same SUA that was attached to the Form 2A (Doc#402165116). These errors are on this APD and on 15 other APDs on the pad. This entire form was not reviewed by permitting staff. | 09/10/2020 |
| Permit | Passed completeness. | 02/11/2020 |

Total: 7 comment(s)