

FORM
2

Rev
12/20

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:

402601871

Date Received:

03/01/2021

APPLICATION FOR PERMIT TO:

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

Amend ☐

Refile ☒

Sidetrack ☐

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

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Well Name: CC Well Number: 0697-03-10E
Name of Operator: LARAMIE ENERGY LLC COGCC Operator Number: 10433
Address: 1401 17TH STREET SUITE #1400
City: DENVER State: CO Zip: 80202
Contact Name: Joan Proulx Phone: (970)263-3641 Fax: ()
Email: jproulx@laramie-energy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120081

WELL LOCATION INFORMATION

Surface Location

QtrQtr: Lot 11 Sec: 3 Twp: 6S Rng: 97W Meridian: 6

Footage at Surface: 2177 Feet FNL/FSL FNL 2339 Feet FEL/FWL FEL

Latitude: 39.558405 Longitude: -108.205088

GPS Data: GPS Quality Value: 1.4 Type of GPS Quality Value: PDOP Date of Measurement: 03/17/2019

Ground Elevation: 8438

Field Name: GRAND VALLEY Field Number: 31290

Well Plan: is ☒ Directional ☐ Horizontal (highly deviated) ☐ Vertical

If Well plan is Directional or Horizontal attach Deviated Drilling Plan and Directional Data.

Subsurface Locations

Top of Productive Zone (TPZ)

Sec: 3 Twp: 6S Rng: 97W Footage at TPZ: 2278 FNL 657 FEL
Measured Depth of TPZ: 7478 True Vertical Depth of TPZ: 7258 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 3 Twp: 6S Rng: 97W Footage at TPZ: 2278 FNL 657 FEL
Measured Depth of TPZ: 9878 True Vertical Depth of TPZ: 9658 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 3 Twp: 6S Rng: 97W Footage at BHL: 2278 FNL 657 FEL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: GARFIELDMunicipality: N/A

Is the Surface Location of this Well in an area designated as one of State interest and subject to the requirements of § 24-65.1-108 C.R.S.? No

Per § 34-60-106(1)(f)(I)(A) C.R.S., the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas Location.

SB 19-181 provides that when "applying for a permit to drill," operators must include proof that they sought a local government siting permit and the disposition of that permit application, or that the local government does not have siting regulations. § 34-60-106(1)(f)(I)(A) C.R.S.

Does the Relevant Local Government regulate the siting of Oil and Gas Locations, with respect to this Location? ☐ 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 disposition of the application filed with the Relevant Local Government is: Waived Date of Final Disposition: _____

Comments:

Laramie Energy, LLC, has contacted Garfield County, the local government with jurisdiction over the siting of this proposed oil and gas location and determined that per the Garfield County Land Use and Development Code, Table 3-403, "Oil and Gas Drilling and Production" and "Hydraulic Fracturing, Remote Surface Location" are a use by right or Exempt from Land Use Regulation at this site. Garfield County's disposition is not required for the purposes of this submittal.

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATION

Surface Owner of the land at this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Mineral Owner beneath this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Surface Owner Protection Financial Assurance (if applicable): _____ Surety ID Number (if applicable): _____

MINERALS DEVELOPED BY WELL

The ownership of all the minerals that will be developed by this Well is (check all that apply):

- ☒ Fee
☐ State
☐ Federal
☐ Indian
☐ N/A

LEASE INFORMATION

Using standard QtrQtr, Section, Township, Range format describe one entire mineral lease as follows:

* If this Well is within a unit, describe a lease that will be developed by the Well.

* If this Well is not subject to a unit, describe the lease that will be produced by the Well.

(Attach a Lease Map or Lease Description or Lease if necessary.)

See attached Mineral Lease Map.

Total Acres in Described Lease: 12120 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
Public Road: 5280 Feet

INSTRUCTIONS:

- Specify all distances per Rule 308.b.(1).
- 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.

Above Ground Utility: 3667 Feet

Railroad: 5280 Feet

Property Line: 1063 Feet

- Building Unit – as defined in 100 Series Rules.

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-ILES	WFILS	510-70	871	Sec 3: All

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

SUBSURFACE MINERAL SETBACKS

Enter 5280 for distance greater than 1 mile.

Is this Well within a unit? Yes

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary: 657 Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well within the same unit permitted or completed in the same formation: 346 Feet

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well producing from the same lease and permitted or completed in the same formation: Feet

Exception Location

☐ If this Well requires the approval of a Rule 401.c Exception Location, enter the Rule or spacing order number and attach the Exception Location Request and Waivers.

SPACING & FORMATIONS COMMENTS

Well is located in CA COC 79101.

DRILLING PROGRAM

Proposed Total Measured Depth: 9878 Feet

TVD at Proposed Total Measured Depth 9658 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 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 Plan unless a plan was already submitted with the Form 2A per Rule 304.c.(10).

Will there be hydraulic fracture treatment at a depth less than 2,000 feet in this well? No

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

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Grade	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	26	18	NA	47.44	0	60	100	60	0
SURF	14+3/4	9+5/8	J55	36	0	2530	1130	2530	0
1ST	8+3/4	4+1/2	P110IC	11.6	0	9878	1507	9878	2030

☐ Conductor Casing is NOT planned

POTENTIAL FLOW AND CONFINING FORMATIONS

Zone Type	Formation /Hazard	Top M.D.	Top T.V.D.	Bottom M.D.	Bottom T.V.D.	TDS (mg/L)	Data Source	Comment
Groundwater	Uinta	0	0	1116	1109	0-500	CGS	N/A
Hydrocarbon	Williams Fork	694	6723	9878	9658			This hydrocarbon layer includes the Williams Fork, Cameo, Rollins, Cozzette and Corcoran formations.
Subsurface Hazard	Mahogany	1116	1109	3123	3043			
Confining Layer	Wasatch	3123	3043	4799	4658			
Hydrocarbon	Wasatch G	4799	4658	5055	4904			
Hydrocarbon	Fort Union	5055	4904	6750	6538			
Subsurface Hazard	Ohio Creek	6750	6538	6940	6723			

OPERATOR COMMENTS AND SUBMITTAL

Comments

This Form 2 will replace pending Form 2 #402095908.

The nearest offset wellbore is the CC 0697-03-09E, 045-23814, and is 346' from the BHL of the CC 0697-03-10E.

The CC 0697-03-07 pad (location #452807) was approved and built and 13 of the originally permitted 20 wells were drilled in 2018. The rig was then moved off the pad to drill pads to meet other lease obligations. The rig is scheduled to return to the CC 697-03-07 to drill the remaining 7 wells in 2021. The SHL and/or BHL on the 7 remaining wells were changed and approved via Form 4 Sundry Notices. There are no changes to the objective formations of the wells.

There have been no changes to the surrounding land use and there will be no changes to the existing location. Laramie Energy, LLC, is the surface owner.

A 1.9 inch OD 2.76 ppf J-55 IJ parasite string will be strapped to outside of surface casing with injection mandrel set ~120 feet above the surface shoe.

Cuttings: See attached "CC 0697-03-07 Pad Cuttings Management Plan 02-18-21 wpb."

The CC 0697-03-07 pad is not located with a Rule 1202.c. NSO Habitat, a Rule 1202.d. Density Habitat, or a Rule 309.e.1. Other Consultation Habitat area.

The edge of the 0697-03-07 pad is located ~308' from the NSO Habitat boundary for Aquatic Sportfish Management Waters, and 726' from the Rule 309.e.1. boundary for Greater Sage Grouse General Habitat Management Area. The pad is also located in a black bear area; the wildlife BMP for black bear was attached to approved Form 2A #401387622. On August 2, 2017, Laramie Energy employees met with the BLM and the CPW to discuss the pad location and the sensitive wildlife habitat for the Greater Sage Grouse. Both the BLM and the CPW are of the opinion that no BMPs are required for this proposed location and are waiving the BMP requirement. Following is an excerpt from United State Department of the Interior, Bureau of Land Management, Environmental Assessment, DOI-BLM-CO-N040-2017-0104-EA, Federal Lease COC70734 and Federal Lease COC56830: "However, since the majority of the area surrounding the well pads does not support sagebrush, this is not suitable habitat for sage-grouse. Small patches of suitable habitat may exist between stands of aspen and mountain shrub in the project area. However, the lack of connectivity and the steep topography in the area render it unlikely that it would be used by individuals." No grouse or sign were observed during surveys conducted by WestWater Engineering in August of 2017 (WestWater 2017a, WestWater 2017b). Representatives from Colorado Parks and Wildlife attended the onsite on August 2, 2017, and made the determination that the location of the pad would not have a negative impact on GRSG since the area is already highly fragmented and the topography between the nearest lek and the proposed development would buffer potential impacts. Additionally, "since the area contains marginally suitable habitat, it is unlikely that GRSG frequent the area where the project is proposed (CPW 2017b, M. Warren, pers. comm., 2 Aug 2017). As a result, MD MR-10, the March 1 to July 15 TL for lekking, nesting, and early brood-rearing will not be applied."

DI Community: The 697-03-07 pad is located in Block Group ID: 080459521001; Block group % minority population is > county % minority population. The 0697-03-07 pad is in a very remote location in a large oil and gas production field located in Garfield County. The pad is not located within 2,000' of an RBU, HOBu or school.

This application is in a Comprehensive Area Plan No CAP #: _____

Oil and Gas Development Plan Name _____ OGDID#: _____

Location ID: 452807

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

Signed: _____ Print Name: Joan Proulx

Title: Regulatory Analyst Date: 3/1/2021 Email: jproulx@laramie-energy.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: 4/20/2021

Expiration Date: 04/19/2024

API NUMBER

05 045 23805 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.

Condition of Approval

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. 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). 3)Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) to a minimum of 200' above all Mesaverde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify production casing cement coverage with a cement bond log.
Interim Reclamation	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operation (dated January 5, 2017).
2 COAs	

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	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 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 will state "Alternative Logging Program - No open-hole logs were run" and will clearly identify the type of log and the well (by API#) in which open-hole logs were run. OH Logs were run on the CC 0697-03-13W (API# 05-045-23794) and the CC 0697-03-17W (API#05-045-23815).

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

<http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf>

NW Colorado Notification Policy.

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

Attachment List

Att Doc Num	Name
402601871	FORM 2 SUBMITTED
402602148	MINERAL LEASE MAP
402602149	WELL LOCATION PLAT
402602150	DEVIATED DRILLING PLAN
402602152	DEVIATED DRILLING PLAN
402602153	DIRECTIONAL DATA
402607261	OTHER

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Engineer	<p>Corrected Top MD for Williams Fork in PFZ table per attached deviated drilling plan.</p> <p>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 to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 239 feet and it is a monitoring/observation well.</p> <p>Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.</p> <p>Unchecked "No offset wells within 1500'" box. 13 offset wells were previously drilled on this pad.</p>	04/20/2021
OGLA	<p>This Location (ID #452807) and its associated Form 2A materials were fully reviewed during the OGLA review of this APD in accordance with current Rules. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources.</p> <p>Passed the OGLA task.</p>	03/22/2021
Permit	Final Review Completed.	03/04/2021
Permit	<p>Returned to draft - Well Name and API Number (or document number if pending APD) not provided of the nearest "offset wellbore permitted or completed in the same formation" in the Operator Comments on the Submit Tab.</p> <p>Corrected by operator.</p> <p>Passed Permitting review.</p>	03/02/2021

Total: 4 comment(s)