

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:

402587546

Date Received:

02/11/2021

APPLICATION FOR PERMIT TO:

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

Amend ☐

Refill ☐

Sidetrack ☐

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

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Well Name: Redstone 6-65 24-36 Well Number: 7HN
Name of Operator: GMT EXPLORATION COMPANY LLC COGCC Operator Number: 10243
Address: 1560 BROADWAY STE 2000
City: DENVER State: CO Zip: 80202
Contact Name: Whitney Eberhardt Phone: (303)586 9286 Fax: (720)946 3028
Email: w.eberhardt@gmtexploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20070102

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NESW Sec: 24 Twp: 6S Rng: 65W Meridian: 6

Footage at Surface: 1437 Feet FSL 1928 Feet FWL

Latitude: 39.510616 Longitude: -104.617505

GPS Data: GPS Quality Value: 2.1 Type of GPS Quality Value: PDOP Date of Measurement: 04/25/2019

Ground Elevation: 6279

Field Name: WILDCAT Field Number: 99999

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: 24 Twp: 6S Rng: 65W Footage at TPZ: 2044 FSL 1974 FEL
Measured Depth of TPZ: 8828 True Vertical Depth of TPZ: 8244 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 36 Twp: 6S Rng: 65W Footage at BPZ: 600 FSL 1965 FEL
Measured Depth of BPZ: 20865 True Vertical Depth of BPZ: 8244 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 36 Twp: 6S Rng: 65W Footage at BHL: 550 FSL 1965 FEL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: ELBERT Municipality: 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: Oil and Gas Pad sites require a building permit site plan, which is in development. Elbert County waived its right to precede.

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.)

Please see attached lease map.

Total Acres in Described Lease: 625 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 3438 Feet
Building Unit: 3624 Feet
Public Road: 4150 Feet
Above Ground Utility: 3743 Feet
Railroad: 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.
- Building Unit – as defined in 100 Series Rules.

Property Line: 1437 Feet

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	535-1187	1600	25&36:All;24:S/2

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: 600 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: 464 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

DRILLING PROGRAM

Proposed Total Measured Depth: 20915 Feet

TVD at Proposed Total Measured Depth 8244 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: 1303 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? Yes

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: or Document Number:

CASING PROGRAM

<u>Casing Type</u>	<u>Size of Hole</u>	<u>Size of Casing</u>	<u>Grade</u>	<u>Wt/Ft</u>	<u>Csg/Liner Top</u>	<u>Setting Depth</u>	<u>Sacks Cmt</u>	<u>Cmt Btm</u>	<u>Cmt Top</u>
CONDUCTOR	24	16	N/A	42	0	80	100	80	0
SURF	12+1/2	9+5/8	J-55 LTC	36	0	2690	910	2690	0
1ST	8+1/2	5+1/2	HCP110	20	0	20915	3130	20915	

☐ Conductor Casing is NOT planned

POTENTIAL FLOW AND CONFINING FORMATIONS

<u>Zone Type</u>	<u>Formation /Hazard</u>	<u>Top M.D.</u>	<u>Top T.V.D.</u>	<u>Bottom M.D.</u>	<u>Bottom T.V.D.</u>	<u>TDS (mg/L)</u>	<u>Data Source</u>	<u>Comment</u>
Groundwater	Dawson	162	162	556	556	0-500	Other	COGIS Sample Inquiry
Groundwater	Denver	611	611	1462	1441	0-500	Other	COGIS Sample Inquiry
Groundwater	Upper Arapahoe	1489	1467	1991	1952	0-500	Other	COGIS Sample Inquiry
Groundwater	Laramie-Fox Hills	2279	2230	2697	2634	0-500	Other	COGIS Sample Inquiry
Confining Layer	Pierre Shale	2697	2634	3402	3315			
Hydrocarbon	Sussex-Terry	3402	3315	3521	3429			Not productive in area
Hydrocarbon	Shannon-Hygiene	5766	5598	5934	5760			Not productive in area
Confining Layer	Lower Pierre Shale	5934	5760	8159	7933			
Confining Layer	Sharon Springs Shale	8159	7932	8206	7973			sloughing clay
Hydrocarbon	Niobrara	8207	7974	20915	8244			Potential Flow Formation Table: The TVD of the deepest hydrocarbon zone is the bottom of the well and not the bottom of the formation. The formation is not planned to be exited.

OPERATOR COMMENTS AND SUBMITTAL

Comments

Nearest wellbore in proposed unit is the Redstone 6-65 24-36 8HN per anti-collision.

Nearest permitted or existing wellbore belonging to another operator is the UPRR Miller 1 (API: 05-035-06418) DA Status per anti-collision report.

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 600' FSL and 1965' FEL of Section 36. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

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

Oil and Gas Development Plan Name _____ OGDID ID#: _____

Location ID: 479197

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: 2/11/2021 Email: regulatory@ascentgeomatics.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 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: 5/27/2021

Expiration Date: 05/26/2024

API NUMBER

05 039 06709 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

COA Type

Description

Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 2 business day spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Comply with Rule 408.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	Operator acknowledges the proximity of the listed non-operated wells: Operator agrees to: provide mitigation option 3 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of these wells. 039-06418 UPRR Miller 1
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 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.
4 COAs	

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Prior to drilling operations, operator will perform an anti-collision scan of existing 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.
2	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.
3	Drilling/Completion Operations	No drill stem test will be performed.
4	Drilling/Completion Operations	Upon initial rig up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blow out equipment including flange connections will be performed to seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing will be conducted. The documented results will be retained by operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted daily when practical. A BOP with a minimum pressure rating of three thousand (3,000) psi will be utilized. At a minimum, it will consist of two (2) ram preventers and one (1) annular preventer. A backup system of pressure control will be on site consisting of a minimum of one thousand (1,000) psi accumulator. All on site representatives will be certified in Well Control Operations.

Total: 4 comment(s)

Applicable Policies and Notices to Operators

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>
402587546	FORM 2 SUBMITTED
402593900	LEASE MAP
402593901	SURFACE AGRMT/SURETY
402593902	WELL LOCATION PLAT
402593906	DIRECTIONAL DATA
402593912	DEVIATED DRILLING PLAN
402597586	OffsetWellEvaluations Data
402703110	OFFSET WELL EVALUATION

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Memo Doc no. 2316690 Location #479197 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	05/27/2021
Permit	Final Review Completed.	03/11/2021
Engineer	Modified Surface Casing depth and cement volume for aquifer coverage. Operator concurs.	03/09/2021
Engineer	Changed depth of Niobrara Top in the potential flow table. Operator concurs.	03/09/2021
Permit	Emailed the SLB to notify them of this pending application. SLB has no concerns with this application.	03/08/2021
Permit	Added operator comment for drilling beyond the setback from previous pending application, doc #402069847. Corrected Total Acres Described in Lease to 625 acres to reflect Lease Map. The Surface Location of this Well is not in an area designated as one of State interest and is not subject to the requirements of § 24-65.1-108 C.R.S. This Answer should be No. Corrected to No. Permitting review complete.	03/01/2021

Total: 6 comment(s)