

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:

402573826

Date Received:

05/26/2021

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: Conner Well Number: 19-18-3CDH
Name of Operator: PROVIDENCE OPERATING LLC DBA POCO OPERATING COGCC Operator Number: 10694
Address: 16400 DALLAS PARKWAY SUITE 400
City: DALLAS State: TX Zip: 75428
Contact Name: Meghan Grimes Phone: (720)441-0720 Fax: ()
Email: mgrimes@providence-energy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20180056

WELL LOCATION INFORMATION

Surface Location

QtrQtr: SESW Sec: 19 Twp: 1S Rng: 65W Meridian: 6

Footage at Surface: 350 Feet FSL 1915 Feet FWL

Latitude: 39.944320 Longitude: -104.707750

GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP Date of Measurement: 06/27/2017

Ground Elevation: 5142

Field Name: WATTENBERG Field Number: 90750

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: 19 Twp: 1S Rng: 65W Footage at TPZ: 460 FSL 2240 FEL
Measured Depth of TPZ: 8053 True Vertical Depth of TPZ: 7662 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 18 Twp: 1S Rng: 65W Footage at BPZ: 460 FNL 2168 FEL
Measured Depth of BPZ: 17746 True Vertical Depth of BPZ: 7662 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 18 Twp: 1S Rng: 65W Footage at BHL: 355 FNL 2168 FEL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: ADAMSMunicipality: 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: Approved Date of Final Disposition: 11/13/2018

Comments: The AUSR was approved on November 13, 2018. Case Number - USR2018-00004

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.)

T1S R65W Section 19: S2 (Irregular Section)

Total Acres in Described Lease: 294 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2337 Feet
Building Unit: 2337 Feet
Public Road: 325 Feet
Above Ground Utility: 693 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: 310 Feet

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 | 407-2546 | 1168 | Sec. 18 & 19: 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: 460 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: 364 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: 17851 Feet

TVD at Proposed Total Measured Depth 7662 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: 153 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?

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> |
|--------------------|---------------------|-----------------------|--------------|--------------|----------------------|----------------------|------------------|----------------|----------------|
| SURF | 13+1/2 | 9+5/8 | J55 | 36 | 0 | 2350 | 1804 | 2350 | 0 |
| 1ST | 8+1/2 | 5+1/2 | P110 | 20 | 0 | 17851 | 2829 | 17851 | |

☒ 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 | Arapahoe | 0 | 0 | 1130 | 1130 | 501-1000 | DWR | Surface string of casing will cover the groundwater zone and be cemented to surface. |
| Groundwater | Fox Hills | 1130 | 1130 | 1230 | 1230 | 501-1000 | DWR | |
| Confining Layer | Pawnee/Upper Pierre Tongu | 1230 | 1230 | 2359 | 2350 | | | |
| Confining Layer | Pierre Shale | 2359 | 2350 | 4879 | 4845 | | | |
| Hydrocarbon | Sussex | 4879 | 4845 | 5013 | 4978 | | | |
| Hydrocarbon | Shannon | 5013 | 4978 | 5137 | 5100 | | | |
| Confining Layer | Lower Pierre Shale | 5137 | 5100 | 7173 | 7110 | | | |
| Hydrocarbon | Niobrara | 7173 | 7110 | 7866 | 7633 | | | |
| Hydrocarbon | Fort Hays | 7866 | 7633 | 8008 | 7655 | | | |
| Hydrocarbon | Codell | 8008 | 7655 | 17851 | 7662 | | | |

OPERATOR COMMENTS AND SUBMITTAL

Comments Distance from completed portion of the wellbore to nearest wellbore permitted or completed in the same formation and in the same spacing unit was measured to the proposed Conner 19-18-2NBH in 3D.

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells was measured to the producing Gail Smith 1 (API No. 05-001-09525) owned and operated by Blue Chip Oil Inc. Distance was determined by the attached Anticollision 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 460' FNL and 2168' FEL of Section 18. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

The Conner Pad Form 2A OGLA is valid until 11/27/21; therefore, an OGDP is not required.

This is a refile Form 2. This location has not been built. Minor changes have been made to this permit. The OWE, distances, planned total measured depth, and deviated drilling plan have been revised.

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

OGDP ID#: _____ OGDP Name: _____ Expiration Date: _____

Location ID: 459267 Location Name: Conner Pad

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

Signed: _____ Print Name: Andrea Gross

Title: Permit Agent Date: 5/26/2021 Email: agross@upstreampm.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: 10/5/2021

Expiration Date: 10/04/2024

API NUMBER

05 001 10283 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 | <p>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.</p> <p>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.</p> <p>3) Oil-based drilling fluid is to be used only after all fresh water aquifers are covered.</p> |
| Drilling/Completion Operations | <p>Operator acknowledges the proximity of the following non-operated listed wells: Operator agrees to: provide mitigation option 1 or 2 (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 this well.</p> <p>001-06783 Putnam #41-18 001-08327 Green #1 001-08384 Tracy #1 001-08482 Edna #1 001-08490 John Rock #1</p> |
| Drilling/Completion Operations | <p>Operator acknowledges the proximity of the following non-operated listed wells: Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 4). Operator will submit a Form 42("OTHER-AS SPECIFIED BY PERMIT CONDITION") stating that appropriate mitigation will be completed, during the hydraulic stimulation of this well. This Form 42 shall be filed 48 hours prior to stimulation. Operator will assure that the well's Bradenhead is open and monitored during the entire stimulation treatment - a person will monitor for any evidence of fluid, a Bradenhead test will be performed prior to the beginning of stimulation.be submitted for each offset well on this list describing how Option 4 work was completed and include a summary of the monitoring details.</p> <p>001-09479 Gail #1 001-09565 Gail Smith #1</p> |
| Drilling/Completion Operations | <p>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:</p> <p>1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation.</p> <p>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.</p> <p>3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.</p> |
| Construction | If location is not constructed by 2A expiration (11/27/21), a refile Form 2A must be approved prior to location construction. |
| 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. |
| 6 COAs | |

Best Management Practices

| No | BMP/COA Type | Description |
|-----------|--------------------------------|--|
| 1 | Drilling/Completion Operations | Wellbore Collision Prevention -Rule 317.r: Prior to drilling operations, Operator 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. |
| 2 | 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 to 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 (by API#, well name & number) the well in which open-hole logs were run. |

Total: 2 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

| Att Doc Num | Name |
|--------------------|----------------------------|
| 402573826 | FORM 2 SUBMITTED |
| 402697414 | WELL LOCATION PLAT |
| 402697416 | DEVIATED DRILLING PLAN |
| 402699975 | DIRECTIONAL DATA |
| 402701516 | OffsetWellEvaluations Data |
| 402831996 | OFFSET WELL EVALUATION |

Total Attach: 6 Files

General Comments

| User Group | Comment | Comment Date |
|-------------------|---|---------------------|
| OGLA | Per Operator, Working Pad Surface is located 1,995 feet from a Residential Building Unit. Operator provided updated nuisance BMPs via Form 4 Sundry, Document #402790170. | 10/01/2021 |
| OGLA | The Location and its associated Form 2A materials was fully reviewed during the review of this APD. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed. | 10/01/2021 |
| Permit | Updated submit comment with operator concurrence. | 07/08/2021 |
| Permit | Final Review Completed. | 06/24/2021 |
| Permit | Permitting review complete. | 06/01/2021 |

Total: 5 comment(s)