

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:
402855525
Date Received:
04/06/2022

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: SCHLAGEL Well Number: 5-3HZ
Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP COGCC Operator Number: 47120
Address: P O BOX 173779
City: DENVER State: CO Zip: 80217-3779
Contact Name: SAMANTHA PETITE Phone: (720)929-3167 Fax: ()
Email: Samantha_Petite@oxy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010124

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NWSE Sec: 5 Twp: 3N Rng: 67W Meridian: 6
Footage at Surface: 2259 Feet FSL 2220 Feet FEL
Latitude: 40.253872 Longitude: -104.912835
GPS Data: GPS Quality Value: 1.6 Type of GPS Quality Value: PDOP Date of Measurement: 05/05/2020
Ground Elevation: 4872
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: 5 Twp: 3N Rng: 67W Footage at TPZ: 1852 FSL 2051 FEL
Measured Depth of TPZ: 7548 True Vertical Depth of TPZ: 7019 FNL/FSL FEL/FWL
Base of Productive Zone (BPZ)
Sec: 1 Twp: 3N Rng: 68W Footage at BPZ: 1813 FSL 385 FWL
Measured Depth of BPZ: 20712 True Vertical Depth of BPZ: 7031 FNL/FSL FEL/FWL
Bottom Hole Location (BHL)
Sec: 1 Twp: 3N Rng: 68W Footage at BHL: 1813 FSL 385 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELD 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.? Yes

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: 01/07/2021

Comments: The Weld County Oil & Gas Location Assessment (1041WOGLA20-0062) was approved 1/7/2021.

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 lease map.

Total Acres in Described Lease: 5744 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1171 Feet
Building Unit: 2007 Feet
Public Road: 2207 Feet
Above Ground Utility: 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.

2191

Railroad: 5280 Feet

Property Line: 251 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	407-3298	880	T3N-67W; 05:W2SE, SW; 06: S2; T3N-68W;01:S2

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: 385 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: 294 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: 20712 Feet

TVD at Proposed Total Measured Depth 7031 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: 61 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? Yes

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	16	ASTMA5 3B	36.94	0	80	64	80	0
SURF	13+1/2	9+5/8	L80	36	0	1500	590	1500	0
1ST	7+7/8	5+1/2	HCP110	17	0	20702	2354	20702	

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	Pierre Ash & Shallower	17	17	715	715	0-500	USGS	
Groundwater	Upper Pierre	716	716	1258	1253	501-1000	Electric Log Calculation	
Confining Layer	Pierre Shale	1259	1254	4142	4038			
Hydrocarbon	Sussex	4143	4039	4389	4276			non-productive horizon
Confining Layer	Pierre Shale	4390	4277	4703	4584			
Hydrocarbon	Shannon	4704	4585	4782	4662			
Confining Layer	Pierre Shale	4783	4663	7167	6920			
Hydrocarbon	Niobrara	7169	6921	0	0			Well is not planned to exit base of Niobrara Formation.

OPERATOR COMMENTS AND SUBMITTAL

Comments

PLEASE ENSURE ALL CORRESPONDENCE ASSOCIATED WITH THIS PERMIT GOES TO ANALYST AND DJREGULATORY EMAIL ADDRESSES, AS LISTED ON THIS PERMIT.

Offset well buffer description for the subject well has been included on this permit for review as an attachment labeled 'Other'.

Base of Productive Zone is the same as Bottom Hole Location.

The nearest offset wellbore permitted or completed in the same formation is: SCHLAGEL 5-5HZ Doc #402855529.

Schlagel Form 2s are being amended due to a spacing unit change from wellbore pacing unit to drilling and spacing unit and extending the wellbores approximately one mile.

This application is in a Comprehensive Area Plan No CAP #: _____
OGDP ID#: _____ OGDG Name: _____ Expiration Date: _____

Location ID: 416717 Location Name: SCHLAGEL 10-5HZ PAD

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

Signed: _____ Print Name: SAMANTHA PETITE

Title: Regulatory Analyst Date: 4/6/2022 Email: DJRegulatory@oxy.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: 4/27/2022

Expiration Date: 04/26/2025

API NUMBER

05 123 51482 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	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 is observed or if there is continuous flow, Operator must contact COGCC engineering for approval prior to stimulation. 2) If a delayed completion, a second test is required between 6-9 months after rig release and must be conducted prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact COGCC engineering for approval 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	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 and from 500' below Shannon to 500' above Shannon. Verify coverage with a cement bond log.
Drilling/Completion Operations	Operator acknowledges the proximity of the listed non-operated wells. Operator assures that this offset list will be remediated per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document Operator using 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. 123-07229 UPRR PAN AM C 1 #41
Drilling/Completion Operations	Operator acknowledges the proximity of the non-operated listed well. Operator agrees to: provide mitigation option 1 or 2 (per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document) 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") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 123-29991 MORALES #31-12
Drilling/Completion Operations	Operator acknowledges the proximity of the listed wells. Operator agrees to: provide mitigation option 1 or 2 (per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document) 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") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 123-31481 BERRY P #08-27D 123-17777 UPRC #5-9L 123-31085 BERRY P #08-18D 123-18517 HSR-SHELL #14-5 123-19288 HSR-BERRY #2-8 123-19291 HSR-SHELL #11-5 123-31088 BERRY P #08-29D
Drilling/Completion Operations	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
6 COAs	

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Kerr-McGee acknowledges and will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.
2	Drilling/Completion Operations	Anti-Collision: Kerr-McGee will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within one hundred fifty (150) feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators within one hundred fifty (150) feet prior to drilling.
3	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 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: 3 comment(s)

Attachment List

Att Doc Num	Name
402855525	FORM 2 SUBMITTED
402900716	DEVIATED DRILLING PLAN
402900717	WELL LOCATION PLAT
402901234	DIRECTIONAL DATA
402968667	LEASE MAP
402968676	OTHER
403030117	OFFSET WELL EVALUATION

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed.	04/08/2022
Permit	<p>RETURNED TO DRAFT: This application has been reviewed by COGCC staff and cannot be approved based on the information submitted; therefore, the COGCC is returning this form to DRAFT for the applicant to resolve the issues. In compliance with § 24-65.1-108(1), C.R.S., the COGCC is returning this application to the applicant to remedy the deficiencies. The applicant may resubmit this application for COGCC review; upon resubmittal of any application, the COGCC will have 60 days in which to approve, deny, or request all additional information necessary to complete the regulatory review.</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. Incomplete offset well evaluation:</p>	03/30/2022
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.	03/28/2022
Engineer	Offset well evaluation does not include required comments. Recommend RTD.	03/08/2022

Total: 4 comment(s)