

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:

402729963

Date Received:

03/29/2022

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: BJU G35 FED

Well Number: 15B-35-496

Name of Operator: CAERUS PICEANCE LLC

COGCC Operator Number: 10456

Address: 1001 17TH STREET #1600

City: DENVER

State: CO

Zip: 80202

Contact Name: Reed Haddock

Phone: (720)880-6369

Fax: (303)565-4606

Email: rhaddock@caerusoilandgas.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130021

WELL LOCATION INFORMATION

Surface Location

QtrQtr: SWNE Sec: 35 Twp: 4S Rng: 96W Meridian: 6

Footage at Surface: 2098 Feet FNL/FSL FNL 2257 Feet FEL/FWL FEL

Latitude: 39.660311

Longitude: -108.134579

GPS Data: GPS Quality Value: 1.6 Type of GPS Quality Value: PDOP Date of Measurement: 06/14/2021

Ground Elevation: 8166

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: 35 Twp: 4S Rng: 96W Footage at TPZ: 672 FSL 1471 FWL
 Measured Depth of TPZ: 8428 True Vertical Depth of TPZ: 7784 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

 Sec: 35 Twp: 4S Rng: 96W Footage at BPZ: 639 FSL 1377 FWL
 Measured Depth of BPZ: 11900 True Vertical Depth of BPZ: 11260 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

 Sec: 35 Twp: 4S Rng: 96W Footage at BHL: 639 FSL 1377 FWL
 FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: GARFIELD 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: _____ Date of Final Disposition: _____

Comments:

Caerus Piceance 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.)

Sec. 35, T4S-R96W - S/2 and other lands.

Total Acres in Described Lease: 818 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC069557

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
Public Road: 2637 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: 5280 Feet

- Building Unit – as defined in 100 Series Rules.

Railroad: 5280 Feet

Property Line: 3223 Feet

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	WMFK	1-229		

Federal or State Unit Name (if appl): Big Jimmy Unit

Unit Number: COC074105X

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: 639 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: 270 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: 12178 Feet

TVD at Proposed Total Measured Depth 11538 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	30	20	A252	54#	0	100	218	100	0
SURF	14+3/4	9+5/8	J55	36#	0	3000	710	3000	0
1ST	8+3/4	4+1/2	HCP110	11.6#	0	12178	1465	12178	3000

☐ 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	Green River	0	0	1800	1726	501-1000	CGS	
Confining Layer	Wasatch	2587	2440	5800	5354			
Hydrocarbon	Wasatch G	5895	5440	6200	5717			The Wasatch G is a non-productive zone in the referenced area of basin.
Confining Layer	Ft. Union	6287	5796	8400	7761			
Hydrocarbon	Ohio Creek	8428	7784	8600	7961	>10000	Produced Water Sample	
Hydrocarbon	Williams Fork	8663	8024	11300	10660	>10000	Produced Water Sample	
Hydrocarbon	Cameo	11363	10723	11900	11260	>10000	Produced Water Sample	
Hydrocarbon	Rollins	11978	11338	12178	11538	>10000	Produced Water Sample	

OPERATOR COMMENTS AND SUBMITTAL

Comments: This pad has been built and has a valid Form 2A. It is anticipated that drilling 16 wells on this pad will run from mid December 2021 to mid June 2022. This re-file request is necessary because approved permits will expire before Caerus Piceance LLC can finish drilling ALL wells permitted on the NPM G35-496 pad. This wellbore is in the 14th well slot. Previously submitted (June 22, 2021) directional plans, data, cement, and casing design stay the same. No new revisions required.

This application is in a Comprehensive Area Plan _____ CAP #: _____
OGDP ID#: _____ OGDP Name: _____ Expiration Date: _____
Location ID: 335904 Location Name: NPM G35-496 Pad

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

Signed: _____

Print Name: Reed Haddock

Title: Regulatory Lead

Date: 3/29/2022

Email: rhaddock@caerusoilandgas.co

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: 5/3/2022

Expiration Date: 05/02/2025

API NUMBER

05 045 24337 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

Construction	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016).
Drilling/Completion Operations	1)Operator shall comply with the most current revision of the Northwest 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 Operations (dated January 5, 2017).

3 COAs

Best Management Practices

No	BMP/COA Type	Description
1	Planning	The associated well pad Location ID: 335904 was approved on May 29, 2020 by the COGCC. The BLM White River Field Office (WRFO) approved the Application for Permit to Drill (APD) for this well on July 10, 2020, under the land use planning review of the WRFO Record of Decision and Approved Resource Management Plan (ROD/RMP), as amended by the WRFO Oil and Gas Development Plan Approved Resource Management Plan Amendment and the Northwest Colorado Greater Sage-Grouse Approved RMPA. Please reference the attached WRFO Environmental Assessment from July 2020 and the Decision Record approved by the WRFO BLM on July 6, 2020, which specifically addresses the criteria in which the associated well pad was evaluated and approved.
2	Planning	Alternative Logging Program: One of the first wells drilled on the pad will be logged with open-hole resistivity log with gamma-ray log from TD 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".
3	Drilling/Completion Operations	Closed loop system will be used. No pits will be built. Caerus will ensure 150 percent secondary containment for any potential volume of fluids that may be released.

Total: 3 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
402729963	FORM 2 SUBMITTED
402744260	OTHER
402744261	OTHER
402841208	OffsetWellEvaluations Data
403035779	OFFSET WELL EVALUATION

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	04/28/2022
Permit	-Distance from building 5280, on form 2A much closer please confirm. Operator confirms 5280 is correct. -All corrections made with operator concurrence -Permit review complete	04/25/2022
Engineer	Approved Form 4 Sundry #402725381 was submitted with updated drilling plans, directional data and location plat. Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information in addition to locally-available geophysical logs and hydrogeologic information was used to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 700 feet. None of the water wells within one mile are for domestic use. Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.	04/05/2022
OGLA	This Location (ID #335904) 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.	04/04/2022
Permit	-Corrected TPZ MD was a typo Permit review complete	09/15/2021
OGLA	The Oil and Gas Location (#335904), 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.	07/13/2021

Total: 6 comment(s)