

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:

403046946

(SUBMITTED)

Date Received:

05/19/2022

APPLICATION FOR PERMIT TO:

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

Amend ☐

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☒ OTHER: \_\_\_\_\_

Refile ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: East Sauls Creek 26 Well Number: 2-2  
Name of Operator: SIMCOE LLC COGCC Operator Number: 10749  
Address: 1199 MAIN AVE SUITE 101  
City: DURANGO State: CO Zip: 81301  
Contact Name: Gina Doerner Phone: (970)852-0082 Fax: ( )  
Email: gina.doerner@ikavenergy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200027

WELL LOCATION INFORMATION

Surface Location

QtrQtr: SWSE Sec: 27 Twp: 35N Rng: 6W Meridian: N  
Footage at Surface: 935 Feet FSL 1670 Feet FEL  
Latitude: 37.267586 Longitude: -107.511840  
GPS Data: GPS Quality Value: 2.0 Type of GPS Quality Value: PDOP Date of Measurement: 10/10/2016  
Ground Elevation: 7466  
Field Name: \_\_\_\_\_ Field Number: \_\_\_\_\_

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: 27 Twp: 35N Rng: 6W Footage at TPZ: 935 FSL 1670 FEL  
Measured Depth of TPZ: 0 True Vertical Depth of TPZ: 0 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 26 Twp: 35N Rng: 6W Footage at BPZ: 1268 FSL 710 FEL  
Measured Depth of BPZ: 3059 True Vertical Depth of BPZ: 9107 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 26 Twp: 35N Rng: 6W Footage at BHL: 1268 FSL 710 FEL  
FNL/FSL FEL/FWL

## LOCAL GOVERNMENT PERMITTING INFORMATION

County: LA PLATA

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:

## 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): Blanket Surety ID Number (if applicable): 20200026

### 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: 2480 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC17340

### SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1612 Feet  
Building Unit: 1612 Feet  
Public Road: 311 Feet  
Above Ground Utility: 1789 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.

Railroad: 5280 Feet  
Property Line: 993 Feet

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
FRUITLAND COAL	FRLDC	112-263	480	S/2 S. 26 & SE/4 S. 27

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? No

If YES:

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

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: 0 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: 0 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: 9106 Feet TVD at Proposed Total Measured Depth 3059 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 H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No If yes, attach an H<sub>2</sub>S 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? Yes

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? No

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
SURF	16	13+3/8	J55	54	0	350	251	350	0
1ST	12+1/4	9+5/8	J55	17	0	2800	515	2800	0
2ND LINER	8+3/4	5+1/2	J55	17	0	9106	1141	9106	0

☒ 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	ANIMAS	0	0	1217	1217	0-500	Groundwater Sample	
Groundwater	LOWER ANIMAS	1217	1217	1702	1702	501-1000	USGS	WRI 95-4190
Groundwater	KIRTLAND	1702	1702	1907	1907	1001-10000	USGS	WRI 95-4188
Hydrocarbon	FARMINGTON SANDSTONE	1907	1907	2347	2347	1001-10000	USGS	WRI 95-4188
Hydrocarbon	KIRTLAND SHALE LWR	2347	2347	2477	2477	1001-10000	USGS	WRI 95-4188
Hydrocarbon	PICTURED CLIFFS	2477	2477	2663	2663	>10000	Produced Water Sample	
Hydrocarbon	FRUITLAND COAL	2477	2477	2663	2662	>10000	Produced Water Sample	

**OPERATOR COMMENTS AND SUBMITTAL**

Comments

Although the East Sauls Creek 2-2 well will produce some gas from the Fruitland Coal, it is intended primarily as a dewatering well for East Sauls Creek 2-1 well. As a result, the goal is for these two wells to intersect near their toes either directly or indirectly. Since intersection of these two wells is an acceptable outcome, we have proposed a 0' distance between these well completions. Anti-collision evaluations will be conducted on all other portions of the wellbores to prevent unintended intersections or collisions.

This application is in a Comprehensive Area Plan No

CAP #: \_\_\_\_\_

Oil and Gas Development Plan Name \_\_\_\_\_

OGDP ID#: \_\_\_\_\_

Location ID: 325890

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

Signed: \_\_\_\_\_

Print Name: Amanda Blanchard

Title: Environmental Coordinator

Date: 5/19/2022

Email: amanda.blanchard@ikavenergy

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: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

API NUMBER

05 067 09996 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.

### COA Type

### Description

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## Best Management Practices

### No BMP/COA Type

### Description

1	Drilling/Completion Operations	An open-hole resistivity/gamma ray log was already run on the first well drilled on this pad (Yankee Federal A1 – API 05-067-07126 – Doc ID 1036260). The intermediate string for this well on the multi-well location will be logged with a cement bond log with cased-hole gamma-ray log from intermediate TD or the deepest depth possible using conventional wireline conveyance into the surface casing.
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Total: 1 comment(s)

## Attachment List

### Att Doc Num

### Name

403047437	WELL LOCATION PLAT
403047440	MINERAL LEASE MAP
403047443	DIRECTIONAL DATA
403047809	WELLBORE DIAGRAM
403054963	OffsetWellEvaluations Data

Total Attach: 5 Files

## General Comments

### User Group

### Comment

### Comment Date

		Stamp Upon Approval
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Total: 0 comment(s)



## Public Comments

No public comments were received on this application during the comment period.

