

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:

402987759

Date Received:

04/14/2022

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: Eider Well Number: 36-1-6HN
Name of Operator: MALLARD EXPLORATION LLC COGCC Operator Number: 10670
Address: 1400 16TH STREET SUITE 300
City: DENVER State: CO Zip: 80202
Contact Name: Erin Mathews Phone: (720)5437951 Fax: ()
Email: emathews@mallardexploration.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20170115

WELL LOCATION INFORMATION

Surface Location

QtrQtr: SWSE Sec: 25 Twp: 8N Rng: 60W Meridian: 6
Footage at Surface: 1144 Feet FSL 2410 Feet FEL
Latitude: 40.629351 Longitude: -104.038914
GPS Data: GPS Quality Value: 1.1 Type of GPS Quality Value: PDOP Date of Measurement: 03/30/2021
Ground Elevation: 4927
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: 36 Twp: 8N Rng: 60W Footage at TPZ: 300 FNL 1080 FEL
Measured Depth of TPZ: 6848 True Vertical Depth of TPZ: 6302 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 1 Twp: 7N Rng: 60W Footage at BPZ: 300 FSL 1080 FEL
Measured Depth of BPZ: 16829 True Vertical Depth of BPZ: 6302 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 1 Twp: 7N Rng: 60W Footage at BHL: 300 FSL 1080 FEL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELDMunicipality: 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: 11/02/2021

Comments: 1041WOGLA21-0011 submitted 9/13/2021, approved 11/2/2021.

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.)

All, Sec 36, T8N, R60W

Total Acres in Described Lease: 640 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian

Federal or State Lease # 98/6083-S

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

Public Road: 4162 Feet

Above Ground Utility: 2985 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: 1075 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	535-1324	1280	1,36: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: 300 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: 779 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: 16829 Feet

TVD at Proposed Total Measured Depth 6302 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: 88 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	26	16	N/A	43	0	80	50	80	0
SURF	13+1/2	9+5/8	J55LTC	36	0	1613	525	1613	0
1ST	8+1/2	5+1/2	HCP110	20	0	16829	2400	16829	1613

☐ 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	Laramie	0	0	134	134	0-500	DWR	
Groundwater	Laramie Fox Hills	134	134	514	514	0-500	DWR	
Confining Layer	Pierre Shale	514	514	837	834			
Groundwater	Upper Pierre	837	834	1563	1534	0-500	DWR	
Confining Layer	Pierre Shale	1563	1534	3343	3244			
Hydrocarbon	Richard Sandstone	3343	3244	3463	3359			
Hydrocarbon	Parkman Sandstone	3463	3359	3807	3689			
Confining Layer	Pierre Shale	3807	3689	6256	6030			
Confining Layer	Sharon Springs Shale	6256	6030	6310	6074			
Hydrocarbon	Niobrara Shale	6310	6074	16829	6302			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 unit per anti-collision is the proposed EIDER 36-1-7HN at 779'.

Nearest permitted or existing wellbore belonging to another operator per anti-collision is the Green 1-1 (API: 05-123-26575) SI Status.

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

OGDP ID#: 481211 OGDP Name: Eider North Expiration Date: 03/29/2025

Location ID: 481938 Location Name: Eider North Pad

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

Signed: _____ Print Name: Jordan Lukasik

Title: Regulatory Analyst I Date: 4/14/2022 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: 6/10/2022

Expiration Date: 03/29/2025

API NUMBER

05 123 51702 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	<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 a cement bond log.</p> <p>3) Increased surface casing setting depth to 1613' MD, adjust cement volume accordingly.</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 is observed or if there is continuous flow, Operator must contact COGCC engineering for approval prior to stimulation.</p> <p>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.</p> <p>3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.</p>
Drilling/Completion Operations	<p>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.</p> <p>STATE-PALACE *1(API 123-09382) CARL MAXEY STATE *1(API 123-10369) DOC GREEN *1-8-6(API 123-19709) GREEN *1-13(API 123-20111) GREEN *1-3(API 123-20185) ROTH *12-2(API 123-21753)</p> <p>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 4. Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") 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. A Bradenhead test will be performed on the offset wells listed below within 30 days prior to the beginning of stimulation of this well. Surface and production casing pressures of this offset well list will be actively monitored during stimulation of this well. Operator will assure that the offset well's bradenhead is open and actively monitored during the entire stimulation treatment of this pad– a person will monitor for any evidence of fluid. If there is indication of communication between the stimulation treatment and an offset well, treatment will be stopped and COGCC Engineering notified.</p> <p>STATE *36-16(API 123-20908)</p> <p>Operator acknowledges the proximity of the listed non-operated wells. Operator assures that this offset will be remediated per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document 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. No stimulation will occur within 750' of this well bore. Stimulation occurring from 750-1500' from this well bore will have a 20% reduction in the treatment size(frac geometry) over the stages outside of this radius. A statement shall be included on the Form 5A of the affected wells that documents the excluded and the reduced treatment intervals.</p> <p>STATE *1(API 123-05476)</p>

3 COAs

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Blowout Prevention Equipment ("BOPE"): A double ram annular preventer will be used during drilling.
2	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
3	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.

Total: 3 comment(s)

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402987759	FORM 2 SUBMITTED
403012002	OffsetWellEvaluations Data
403012007	DEVIATED DRILLING PLAN
403012008	DIRECTIONAL DATA
403012010	WELL LOCATION PLAT
403075688	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	06/08/2022
Permit	No objection was received from the State Land Board (SLB). Passed Permit Review	06/07/2022
Engineer	<ul style="list-style-type: none"> • Surface Casing Check complete • Offset well review complete 408.t - Green 1-1 (API 123-26575), HEMBERGER *2-25-34-8-60 (API 123-34404) 408.u - No wells <ul style="list-style-type: none"> • Engineering review complete 	06/06/2022
Permit	Corrected the township on the BHL as per the well plat Emailed the State Land Board (SLB) for verification of lease	06/01/2022
OGLA	The Commission approved OGDG #481211 on 3/30/2022 for the Oil and Gas Location related to this Form 2. OGLA task passed.	04/19/2022

Total: 5 comment(s)