

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:

402789949

Date Received:

04/07/2022

APPLICATION FOR PERMIT TO:

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

Amend ☐

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER: Injection Well

Refill ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Federal Well Number: RG 912-23-299D
Name of Operator: TEP ROCKY MOUNTAIN LLC COGCC Operator Number: 96850
Address: 1058 COUNTY ROAD 215
City: PARACHUTE State: CO Zip: 81635
Contact Name: Vicki Schoeber Phone: (970)263-2721 Fax: ()
Email: vschoeber@terraep.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: _____

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NWSW Sec: 23 Twp: 2S Rng: 99W Meridian: 6

Footage at Surface: 2009 Feet FNL/FSL FSL 686 Feet FEL/FWL FWL

Latitude: 39.860053 Longitude: -108.478714

GPS Data: GPS Quality Value: 2.4 Type of GPS Quality Value: PDOP Date of Measurement: 06/16/2021

Ground Elevation: 7083

Field Name: SAGE BRUSH HILLS II Field Number: 76140

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: 23 Twp: 2S Rng: 99W Footage at TPZ: 1444 FNL 780 FWL
Measured Depth of TPZ: 5214 True Vertical Depth of TPZ: 4764 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 23 Twp: 2S Rng: 99W Footage at BPZ: 1444 FNL 780 FWL
Measured Depth of BPZ: 6333 True Vertical Depth of BPZ: 5883 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 23 Twp: 2S Rng: 99W Footage at BHL: 1444 FNL 780 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: RIO BLANCO 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: Approved Date of Final Disposition: 09/04/2020

Comments: The Rio Blanco County Oil or Gas Well Pad Special Use/Building Permit COGW-0006-20 was approved on 9/4/2020.

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.)

No mineral estate will be developed by this proposed injection well. The right to construct/operate is granted by BLM ROW Grant COC-76535, T2S-R99W, SEC 23: NW4SW4

Total Acres in Described Lease: 0 Described Mineral Lease is: ☐ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # NA

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 4376 Feet
Public Road: 1368 Feet
Above Ground Utility: 4331 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: 2824 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			

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: 1369 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: 6500 Feet

TVD at Proposed Total Measured Depth 6050 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: 1369 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? 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	20	X-42	78.62	0	80	134	80	0
SURF	17+1/2	13+3/8	J-55	54.5	0	1400	457	1400	0
1ST	12+1/4	9+5/8	J-55	36	0	2942	154	2942	1942
2ND	8+3/4	5+1/2	P-110	17	0	6500	410	6500	3801

☐ 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	Uinta	0	0	830	815	501-1000	Produced Water Sample	
Groundwater	GRRV	830	815	976	950	501-1000	Produced Water Sample	
Subsurface Hazard	GRRV A Groove	976	950	1146	1100			Potential Loss Zone
Subsurface Hazard	GRRV B Groove	1146	1100	1794	1650			Potential Loss Zone
Subsurface Hazard	GRRV Dissolution Surface	1794	1650	1860	1706			Potential Loss Zone
Confining Layer	Garden Gulch	1860	1706	2352	2122			
Confining Layer	Upper Wasatch	2352	2122	4001	3571			
Subsurface Hazard	Wasatch G Sand	4001	3571	4195	3757			Potential Loss Zone
Hydrocarbon	Ft. Union	4195	3757	5014	4564			
Confining Layer	Lower Wasatch	5014	4564	5214	4764			
Hydrocarbon	Williams Fork	5214	4764	6500	6050			

OPERATOR COMMENTS AND SUBMITTAL**Comments**

The Left Fork 6502 well (API #05-103-10408) was used for the distance from proposed wellbore to the nearest existing/permitted wellbore belonging to another operator. This distance was measured in plan view.

Nearest offset well from the same lease and permitted or completed in the same formation is the Federal 299-23-3 (API # 05-103-10536) which was plugged on 10/22/2019.

Federal 299-23-3 OGD application was approved on 3/30/2022.

Form 2A Doc #402709896

Form 2B Doc #402709940

Form 2C Doc #402709969 approved on 1/19/2022

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

OGDP ID#: 481444 OGD Name: FEDERAL 299-23-3 Expiration Date: 03/29/2025

Location ID: 316441 Location Name: FEDERAL 299-23-3

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

Signed: _____ Print Name: Vicki Schoeber

Title: Regulatory Specialist Date: 4/7/2022 Email: vschoeber@terraep.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: 7/26/2022

Expiration Date: 03/29/2025

API NUMBER

05 103 12564 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	1) Operator shall comply with the most current revision of the Northwest Notification Policy. 2) 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).
Underground Injection Control	1) Injection is not authorized until approval of Subsequent Forms 31 and 33. 2) PRIOR TO PERFORMING OPERATIONS: Operator is required to contact COGCC to discuss Step Rate Test or Injectivity Test criteria for Maximum Surface Injection Pressure determination. Prior approval of Form 4 is required for step rate and injectivity tests. 3) PRIOR TO PERFORMING OPERATIONS: Approval of Form 4 is required for acid and fracturing jobs. 4) Retrieve water sample(s) from injection zone(s) before stimulating formation. Samples must be analyzed for Total Dissolved Solids at a minimum. 5) Operator must provide all tops of formations encountered from surface to TD on the Form 5 when submitted.
Underground Injection Control	For ALL NEW DRILL UNDERGROUND INJECTION WELLS a suite of open-hole Resistivity/Gamma Ray and Density/Neutron logs IS REQUIRED from Surface Casing shoe to TD. A PDF, TIFF, or PDS visual image and a LAS or DLIS file version of each log is required.
Underground Injection Control	Significant lost circulation encountered during drilling will be reported as soon as practicable to the COGCC. Such notice will be provided on a Form 42, Field Operations Notice – Notice of Significant Lost Circulation. For instances of lost circulation encountered during drilling, tour sheets or drilling operations logs covering the time interval(s) where lost circulation was encountered will be attached to the Form 5 – Drilling Completion Report.
5 COAs	

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Open-hole resistivity log with gamma-ray log will be run from TD into the intermediate casing. A cement bond log with gamma-ray will be run on production casing, or on intermediate casing if a production liner is run. The Form 5, Completion Report, will list all logs run and have those logs attached.

Total: 1 comment(s)

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402789949	FORM 2 SUBMITTED
402896676	OffsetWellEvaluations Data
402899951	DIRECTIONAL DATA
402899954	DEVIATED DRILLING PLAN
402949715	WELL LOCATION PLAT
403117065	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	Doc# 111111002"BLM APPROVED FEDERAL RIGHT-OF-WAY GRANT" on file with location ID# 316441, paragraphs 52 & 54 grant waste water injection by the BLM. Removed Spacing Order number, due to no minerals being produced.	07/26/2022
Permit	Final Review Completed.	07/26/2022
Permit	Changed measurement to closest well per operator. Passed Permitting review.	07/26/2022
Engineer	Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of the wellbores on this pad meet standards. No mitigation required. Offset water well check: There are no permitted water wells within one mile of this proposed surface hole location.	07/25/2022
Permit	Changed production casing grade to P-110 per operator.	07/01/2022
OGLA	The Commission approved OGDG #481444 on 4/08/2022 for the Oil and Gas Location related to this Form 2. OGLA task passed.	04/20/2022

Total: 6 comment(s)