

FORM
2

Rev
05/22

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:

402991695

Date Received:

06/06/2022

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: Shelduck Well Number: 6-5-1HN
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

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance

☒ The Operator has provided or will provide Financial Assurance to the COGCC for this Well.

Surety ID Number (if applicable): 20170115

Federal Financial Assurance

☐ In checking this box, the Operator certifies that it has provided or will provide at least this amount of Financial Assurance to the federal government for this Well. (Per Rule702.a.)

Amount of Federal Financial Assurance \$ _____

WELL LOCATION INFORMATION

Surface Location

QtrQtr: Lot 6 Sec: 6 Twp: 7N Rng: 60W Meridian: 6

Footage at Surface: 1442 Feet FSL 628 Feet FWL

Latitude: 40.600895 Longitude: -104.142967

GPS Data: GPS Quality Value: 1.3 Type of GPS Quality Value: PDOP Date of Measurement: 12/14/2017

Ground Elevation: 4954

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: 6 Twp: 7N Rng: 60W Footage at TPZ: 305 FNL 300 FWL
Measured Depth of TPZ: 7879 True Vertical Depth of TPZ: 6515 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 5 Twp: 7N Rng: 60W Footage at BPZ: 305 FNL 300 FEL
Measured Depth of BPZ: 17767 True Vertical Depth of BPZ: 6515 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 5 Twp: 7N Rng: 60W Footage at BHL: 305 FNL 300 FEL
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: 08/27/2020

Comments: 1041WOGLA20-0059 submitted 7/13/2020, approved 8/27/2020

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 Bond (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.)

W/2, Sec 6, T7N, R60W

Total Acres in Described Lease: 315 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 3612 Feet
Building Unit: 3679 Feet
Public Road: 3821 Feet
Above Ground Utility: 3866 Feet
Railroad: 5280 Feet
Property Line: 628 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.

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	535-1332	1280	5&6: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: 669 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: 17767 Feet

TVD at Proposed Total Measured Depth 6515 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: 345 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

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	N/A	43	0	80	50	80	0
SURF	13+1/2	9+5/8	J55LTC	36	0	1910	665	1910	0
1ST	8+1/2	5+1/2	HCP110	20	0	17767	2500	17767	

☐ 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	Laramie	0	0	226	226	0-500	DWR	
Groundwater	Laramie Fox Hills	226	226	685	681	0-500	DWR	
Confining Layer	Pierre Shale	685	681	938	926			
Groundwater	Upper Pierre	938	926	1859	1751	0-500	DWR	
Confining Layer	Pierre Shale	1859	1751	3903	3460			
Hydrocarbon	Richard Sandstone	3903	3460	4024	3561			
Hydrocarbon	Parkman Sandstone	4024	3561	4478	3941			
Confining Layer	Pierre Shale	4478	3941	7291	6282			
Confining Layer	Sharon Springs Shale	7291	6282	7344	6319			
Hydrocarbon	Niobrara Shale	7344	6319	17767	6515			Bottom TVD is bottom of the well and not bottom of the formation; the formation is not planned to be exited.

OPERATOR COMMENTS AND SUBMITTAL

Comments

This Form 2 is being submitted as a refile of API 05-123-47250.

The Shelduck 6-5-9HN (API: 05-123-47250) to be known as Shelduck 6-5-1HN, The Shelduck 6-5-10HN (API: 05-123-47254) to be known as Shelduck 6-5-2HN, The Shelduck 6-5-11HC (API: 05-123-47249) to be known as Shelduck 6-5-3HN, The Shelduck 6-5-12HN (API: 05-123-47252) to be known as Shelduck 6-5-4HN, The Shelduck 6-5-13HN (API: 05-123-47248) to be known as Shelduck 6-5-5HN, The Shelduck 6-5-14HN (API: 05-123-47253) to be known as Shelduck 6-5-6HN, The Shelduck 6-5-15HC (API: 05-123-47255) to be known as Shelduck 6-5-7HN, and the Shelduck 6-5-16HN (API: 05-123-47251) to be known as Shelduck 6-5-8HN will be renamed and respaced across Sections 5 and 6 with revised TPZ and BHL to meet setbacks in accordance with spacing amendments in approved spacing order 535-1332.

There have been no new buildings constructed and no changes to the surrounding land use and mineral lease description. The SHL of the existing wells are unchanged; cultural distances from wells are unchanged.

The nearest well in information has been updated to reflect the respaced laterals.

Nearest well in unit per anti-collision is the Shelduck 6-5-2HN.

Nearest outside operated well per anti-collision is the Hill 6-1 (API: 05-123-20169) PA Status.

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

Oil and Gas Development Plan Name Shelduck South OGDID#: 481626

Location ID: 455769

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: 6/6/2022 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: 7/28/2022

Expiration Date: 05/24/2025

API NUMBER

05 123 47250 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	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. Verify coverage with a cement bond log. 3) Per Operator request the setting depth of the surface casing has been changed to 50' below the base of the Upper Pierre as supplied in the Potential Flow and Confining Formation table, adjust cement volume accordingly.
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, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer 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	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 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. WEITZEL *8-3 (API 123-06370) CASSADY *1 (API 123-07079) HILZER *1 (API 123-07227) CASSADY *5-2 (API 123-07588) SPEAKER *1-1 (API 123-07589) WEITZEL-BRIGGS *7-4 (API 123-08771) DOME HILL *1-6 (API 123-10675) SHOWERS *32-14-H (API 123-19693) SHOWERS *5-2 (API 123-20532) JAWS *6-3 (API 123-20978)
Construction	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
Construction	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016).
5 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>
402991695	FORM 2 SUBMITTED
403066590	WELL LOCATION PLAT
403066591	OffsetWellEvaluations Data
403066594	DIRECTIONAL DATA
403066597	DEVIATED DRILLING PLAN
403120469	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	07/26/2022
Engineer	•Offset well review complete 408.t - No wells 408.u - No wells •Engineering review complete	07/25/2022
Permit	With operators concurrence corrected the spacing order to 535-1332 Permitting Review Complete.	07/25/2022
Permit	Requesting corrected spacing order number and missing Open Hole BMP.	07/22/2022
OGLA	The Commission approved OGDG #481626 on 05/25/2022 for the Oil and Gas Location related to this Form 2. OGLA task passed.	06/07/2022

Total: 5 comment(s)