

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:  
402928845  
Date Received:  
07/13/2022

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: TEP    Well Number: WMC 412-19-793  
Name of Operator: TEP ROCKY MOUNTAIN LLC    COGCC Operator Number: 96850  
Address: 1058 COUNTY ROAD 215  
City: PARACHUTE    State: CO    Zip: 81635  
Contact Name: Jeff Kirtland    Phone: (970)263-2736    Fax: ( )  
Email: jkirtland@terraep.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): 20160057

**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 2    Sec: 19    Twp: 7S    Rng: 93W    Meridian: 6  
Footage at Surface: 2146 Feet FNL    957 Feet FWL  
Latitude: 39.426476    Longitude: -107.822590  
GPS Data:    GPS Quality Value: 2.4    Type of GPS Quality Value: PDOP    Date of Measurement: 08/04/2021  
Ground Elevation: 8563  
Field Name: RULISON    Field Number: 75400  
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: 19    Twp: 7S    Rng: 93W    Footage at TPZ: 1935 FNL    714 FWL  
Measured Depth of TPZ: 7563    True Vertical Depth of TPZ: 7558 FNL/FSL    FEL/FWL

Base of Productive Zone (BPZ)

Sec: 19 Twp: 7S Rng: 93W Footage at BPZ: 1935 FNL 714 FWL  
 Measured Depth of BPZ: 10488 True Vertical Depth of BPZ: 10483 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 19 Twp: 7S Rng: 93W Footage at BHL: 1935 FNL 714 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: The Honea 19-05 pad is located within Lot 2 of Section 19, Township 7 South, Range 93 West, 6th P.M. on private land owned by TEP, in Garfield County, Colorado. TEP notified Garfield County, the Relevant Local Government with jurisdiction over the siting of the proposed oil and gas location on January 7, 2022. Per the Garfield County Land Use and Development Code, Division 2. 9-201, Oil and Gas Code, an Oil and Gas Permit is not required for locations that do not require an Alternative Location Analysis per Rule 304.b(2) B.i. through viii. and x. Since an Oil and Gas permit is not required, per Table 3-403, “Oil and Gas Drilling and Production” and “Hydraulic Fracturing, Remote Surface Location” are a use by right or Exempt from further Land Use Regulation. Garfield County’s disposition is not required for the purpose 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 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.)

Township 7 South, Range 93 West, 6 P.M.  
 Section 19: Lots 1 and 2  
 Township 7 South, Range 94 West, 6th P.M.  
 H.E.S. 309, more particularly described as beginning at Corner No. 1 identical with the Northwest Corner to Section 19; thence South 0°41 ' East 34.62 chains to Corner No. 2; thence North 85°11 ' West 20.43 chains to Corner No. 3; thence North 18°22 ' West 14.50 chains to Corner No. 4; thence North 0°23 ' West 19.15 chains to Corner No. 5; thence East 24.63 chains to Corner No. 1, the place of beginning. Containing 159.98 acres, more or less.  
 (LEASE MAP IS ATTACHED)

Total Acres in Described Lease: 160 Described Mineral Lease is:  Fee  State  Federal  Indian  
 Federal or State Lease # \_\_\_\_\_

**SAFETY SETBACK INFORMATION**

Distance from Well to nearest:

Building: 2312 Feet  
 Building Unit: 2842 Feet  
 Public Road: 2353 Feet  
 Above Ground Utility: 5280 Feet  
 Railroad: 5280 Feet  
 Property Line: 281 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.)
WILLIAMS FORK	WMFK	1-229		

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: 493 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: 287 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: 10838 Feet

TVD at Proposed Total Measured Depth 10833 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? 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

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	X-65	78.67	0	80	200	80	0
SURF	13+1/2	9+5/8	J-55	36	0	1101	270	1101	0
1ST	8+3/4	4+1/2	P-110	11.6	0	10838	787	10838	6093

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	GRRV	0	0	300	300	501-1000	Other	Ground water samples collected from the Green River Formation at multiple, regional sources down-gradient of the Honea 19-05 pad.
Confining Layer	U Wasatch	300	300	4631	4628			
Hydrocarbon	Wasatch G Sand	4631	4628	5722	5718			Potential Loss Zone / Non-Productive Zone
Hydrocarbon	FT Union	5722	5718	6593	6588			
Hydrocarbon	L Wasatch	6593	6588	7033	7028			
Hydrocarbon	Ohio Creek	7033	7028	7563	7558			Potential Loss Zone
Hydrocarbon	Top Gas	7563	7558	9648	9643			
Hydrocarbon	U Mesaverde	7563	7558	9648	9643			
Hydrocarbon	Cameo	9648	9643	10488	10483			
Hydrocarbon	Rollins	10488	10483	10838	10833			

## OPERATOR COMMENTS AND SUBMITTAL

Comments: Nearest offset well producing from the same lease and permitted or completed in the same formation: Honea 19-05B (API #05-045-17256)

OGDP application (Docket #220200033) and Form 2A (Doc #402906566) approved on 7/11/2022

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

Oil and Gas Development Plan Name Honea 19-05 OGDP ID#: 481992

Location ID: 335038

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

Signed: \_\_\_\_\_ Print Name: Melissa Luke

Title: Regulatory Specialist Date: 7/13/2022 Email: mluke@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: 8/4/2022

Expiration Date: 06/28/2025

<b>API NUMBER</b> 05 045 24540 00
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### 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.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 comply with the Notice to Operators Drilling Wells in the Buzzard, Mamm Creek, and Rulison fields, Garfield County and Mesa County – Procedures and Submittal Requirements for Compliance with COGCC Order Nos. 1-107, 139-56, 191-22, and 369-2 (July 8, 2010).  4.Operator shall provide cement coverage from the production casing shoe (4 1/2" FIRST STRING) to a minimum of 200' above the Lower Wasatch (as defined by COGCC in the report "Casing and Cement Standards for Geologic Isolation Piceance Basin Bradenhead Monitoring Area and Nearby Fields," dated April 18, 2016, COGCC Document No. 2056199, Appendix A Field Scout Cards and Annotated Type Logs) to provide isolation of the Lower Wasatch, all Mesaverde Group formations including the Ohio Creek Formation, and underlying formations, if penetrated. Verify production casing cement coverage with a cement bond log.  5.During stimulation, operator shall monitor the bradenhead, casing, and tubing pressure of the proposed well and all offset wells under Operator's control which penetrate the stimulated formation and have a treated interval separation of 300 feet or less. Operator shall notify COGCC Engineering staff if bradenhead pressures increase by more than 200 psig.
Planning	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
2 COAs	

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Alternative Logging Program: The Honea Fed 24-09C well (API #05-045-19930), one of the first wells drilled on this pad, was logged with an open hole resistivity and gamma ray log from TD into the surface casing. All wells on the pad will have a cement bond log (CBL) 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" and will clearly identify the type of log and the well (by API#) in which open-hole logs were run.

Total: 1 comment(s)

### Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402928845	FORM 2 SUBMITTED
402939657	DIRECTIONAL DATA
402939658	DEVIATED DRILLING PLAN
402957679	OffsetWellEvaluations Data
402957798	WELL LOCATION PLAT
402958300	LEASE MAP
403127464	OFFSET WELL EVALUATION

Total Attach: 7 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	07/29/2022
Engineer	<p>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 172 feet.</p> <p>Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.</p> <p>There is no offset wells with Wasatch G production within 1 mile</p> <p>Well is located within the bradenhead monitoring area</p> <p>Additional offset review well: SOUTH LEVERICH *18-12B (045-17613) is located within 1500 ft of the Northern directional wells on the pad and has 0 psi BH pressure and a production TOC 5650 ft.</p>	07/27/2022
Permit	Passed Permitting review.	07/27/2022
OGLA	The Commission approved OGDG #481992 on 06/29/2022 for the Oil and Gas Location related to this Form 2. OGLA task passed.	07/14/2022

Total: 4 comment(s)