

FORM
2

Rev
05/22

State of Colorado Oil and Gas Conservation Commission

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Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

403091489

(SUBMITTED)

Date Received:

08/16/2022

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: BJU M23A FED Well Number: 24D-22-496
 Name of Operator: CAERUS PICEANCE LLC COGCC Operator Number: 10456
 Address: 1001 17TH STREET #1600
 City: DENVER State: CO Zip: 80202
 Contact Name: Reed Haddock Phone: (720)880-6369 Fax: (303)565-4606
 Email: rhaddock@caerusoilandgas.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): _____

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 \$ 10093

WELL LOCATION INFORMATION

Surface Location

QtrQtr: SWSW Sec: 23 Twp: 4S Rng: 96W Meridian: 6

Footage at Surface: 1242 Feet FSL 1276 Feet FWL

Latitude: 39.683978 Longitude: -108.140875

GPS Data: GPS Quality Value: 1.4 Type of GPS Quality Value: PDOP Date of Measurement: 08/04/2022

Ground Elevation: 8109

Field Name: GRAND VALLEY Field Number: 31290

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: 22 Twp: 4S Rng: 96W Footage at TPZ: 1268 FSL 1247 FEL
Measured Depth of TPZ: 8420 True Vertical Depth of TPZ: 7982 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)
 Sec: 22 Twp: 4S Rng: 96W Footage at BPZ: 1235 FSL 1341 FEL
 Measured Depth of BPZ: 12074 True Vertical Depth of BPZ: 11635 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)
 Sec: 22 Twp: 4S Rng: 96W Footage at BHL: 1235 FSL 1341 FEL
 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: Caerus Piceance LLC has contacted Garfield County, the local government with jurisdiction over the siting of this proposed oil and gas location and determined that per the Garfield County Land Use and Development Code, Table 3-403, "Oil and Gas Drilling and Production" and "Hydraulic Fracturing, Remote Surface Location" are a use by right or Exempt from Land Use Regulation at this site. Garfield County's disposition is not required for the purposes 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.)

Sec. 22 T4S-R96W - All and other lands.

Total Acres in Described Lease: 2425 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COC064814

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
Public Road: 4665 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 4120 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): Big Jimmy

Unit Number: COC074105X

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: 4092 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: 311 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 PROGRAMProposed Total Measured Depth: 12574 Feet TVD at Proposed Total Measured Depth 12135 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 feetWill a closed-loop drilling system be used? YesIs 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? NoWill salt sections be encountered during drilling? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? NoBOP Equipment Type: Annular Preventor Double Ram Rotating Head None

Beneficial reuse or land application plan submitted? _____

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	A252	54#	0	100	218	100	0
SURF	14+3/4	9+5/8	J55	36#	0	3000	710	3000	0
1ST	8+3/4	4+1/2	HCP110	11.6#	0	12574	1434	12574	3500
		9+5/8		Stage Tool	0	1400	312	1400	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	Green River	0	0	3400	3244	501-1000	CGS	
Confining Layer	Wasatch	3465	3305	6022	5705			
Hydrocarbon	Wasatch G	6022	5705	6342	6005			The Wasatch G zone is non-productive in the referenced area of the basin.
Confining Layer	Fort Union	6342	6005	8420	7982			
Hydrocarbon	Ohio Creek	8420	7982	8820	8382	>10000	Produced Water Sample	
Hydrocarbon	Williams Fork	8820	8382	11573	11135	>10000	Produced Water Sample	
Hydrocarbon	Cameo	11573	11135	12074	11635	>10000	Produced Water Sample	
Hydrocarbon	Rollins	12074	11635	12574	12135	>10000	Produced Water Sample	

OPERATOR COMMENTS AND SUBMITTAL

Comments: The M23A-496 Pad is in the process of being built and has a valid Form 2A that expires October 12, 2023. The previously submitted directional plans, location survey plats, and casing design have been revised. The Operator, Caerus Piceance LLC is the surface owner.

This application is in a Comprehensive Area Plan _____ CAP #: _____

Oil and Gas Development Plan Name _____ OGDID #: _____

Location ID: 478266

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

Signed: _____ Print Name: Reed Haddock

Title: Regulatory Lead Date: 8/16/2022 Email: rhaddock@caerusoilandgas.co

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
05 045 24377 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.

<u>COA Type</u>	<u>Description</u>

Best Management Practices

No BMP/COA Type	Description
1 Planning	Alternative Logging Program: The first well drilled on the pad will be logged with openhole resistivity log with gamma-ray log from TD 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 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.
2 Planning	The associated well pad Location ID: 478266 was approved on October 13, 2020, by the COGCC. The BLM White River Field Office (WRFO) approved the Application for Permit to Drill (APD) for this well on December 1, 2020, under the land use planning review of the WRFO Record of Decision and Approved Resource Management Plan (ROD/RMP), as amended by the WRFO Oil and Gas Development Plan Approved Resource Management Plan Amendment and the Northwest Colorado Greater Sage-Grouse Approved RMPA. Please reference the attached WRFO Environmental Assessment from November 2020 and the Decision Record approved by the WRFO BLM on November 25, 2020, which specifically addresses the criteria in which the associated well pad was evaluated and approved.
3 Drilling/Completion Operations	<p>Closed loop system will be used.</p> <p>DRILL CUTTINGS: The moisture content of all drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. All cuttings generated during drilling will be placed in a bermed portion of the well pad prior to onsite beneficial reuse. Drill cuttings will be put through shakers to minimize moisture and analyzed for Table 915-1 constituents. Cuttings that meet 915-1 levels will be backfilled into the cuttings management area along the northwestern portion of the pad.</p> <p>CONTAINMENT: During drilling activities, Caerus utilizes a portable containment liner under the substructure of the drilling rig during drilling activities to protect shallow groundwater from any potential spills surrounding the rig during drilling. A liquid release would simply be vacuumed up from the liner. When drilling activity is completed, the liner is removed and transferred to the next drilling location. For permanent containment at the oil and gas location Caerus will ensure 150% secondary containment of volume in the single largest tank on the oil and gas location in compliance with Rule 603.o. During completions, Caerus may utilize 15-20 temporary tanks to hold frac fluid and flowback water. Tanks would be housed in a compacted earthen bermed area and secondary containment.</p> <p>FLOWBACK & STIMULATION: As wells progress from the drilling stage to the completions stage temporary working tanks will be situated on the ELU A18-495 Well Pad. Caerus estimates that there could be 15-20 500-bbl tanks on location for roughly 18-months as the wells progress from the drilling to completions stage during Sim-Ops. The contents of the tanks will contain produced water. The temporary tanks will be placed on a certain portion of the ELU A18-495 Well Pad and laid upon an impervious synthetic or engineered liner which would be underlaid by road base. The liners will be sufficient to hold up to 150% of the largest tank on the location. Note, the entire Oil and Gas Location for the ELU A18-495 will include a compacted earthen berm perimeter around the operational area for ELU A18-495 Well Pad. Once the working tanks are no longer necessary for operations both the tanks and the impervious liner will be removed.</p>

Total: 3 comment(s)

Attachment List

Att Doc Num	Name
403124965	DEVIATED DRILLING PLAN
403124968	DIRECTIONAL DATA
403132037	WELL LOCATION PLAT
403137817	OffsetWellEvaluations Data

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)



Public Comments

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

