

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:

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(SUBMITTED)

Date Received:

10/19/2022

APPLICATION FOR PERMIT TO

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and OperateAmend ☐TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____Refill ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Shelton

Well Number: 25W-25-05

Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLC

COGCC Operator Number: 10633

Address: 1801 CALIFORNIA STREET #2500

City: DENVER

State: CO

Zip: 80202

Contact Name: Jeff Annable

Phone: (303)312-8529

Fax: ()

Email: jannable@civiresources.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): 20160104

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: NESE Sec: 25 Twp: 4N Rng: 65W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 2334 Feet FSL 302 Feet FEL

Latitude: 40.282371

Longitude: -104.603388

GPS Data:

GPS Quality Value: 3.4

Type of GPS Quality Value: PDOP

Date of Measurement: 03/22/2022

Ground Elevation: 4836

Field Name: WATTENBERG

Field Number: 90750

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: 25 Twp: 4N Rng: 65W

Footage at TPZ: 1486 FNL 2476 FWL

Measured Depth of TPZ: 7655

True Vertical Depth of TPZ: 6840

FNL/FSL

FEL/FWL

Base of Productive Zone (BPZ)Sec: 27 Twp: 4N Rng: 65WFootage at BPZ: 1484 FNL 150 FWLMeasured Depth of BPZ: 20540True Vertical Depth of BPZ: 6840 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 27 Twp: 4N Rng: 65WFootage at BHL: 1484 FNL 150 FWL

FNL/FSL

FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATIONCounty: 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: 05/06/2022Comments: 1041WOGLA22-0002**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 ☐ IndianMineral 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 4 North Range 65 West
Section 27: S2SWTotal Acres in Described Lease: 80Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease #

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1597 Feet
Building Unit: 3158 Feet
Public Road: 273 Feet
Above Ground Utility: 853 Feet
Railroad: 5280 Feet
Property Line: 229 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	407-3095	1600	T4N R65W SEC 25: W2, SEC 26: ALL, SEC 27: 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: 150 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: 330 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: 20540 FeetTVD at Proposed Total Measured Depth 6840 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: 85 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 thanor 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? YesBOP 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	24	16	N/A	42	0	80	100	80	0
SURF	12+1/4	9+5/8	J-55	36	0	1750	468	1750	0
1ST	8+1/2	5+1/2	P-110	20	0	20540	2738	20540	1750

☐ 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-Fox Hills	24	24	535	535	1001-10000	Groundwater Atlas	USGS HA-650 (Robson et al, 1981)
Confining Layer	Pierre Formation	535	535	770	770			
Groundwater	Upper Pierre	770	770	1640	1610	501-1000	Electric Log Calculation	Shelton G 25-22 (05-123-33519)
Confining Layer	Base of Upper Pierre	1640	1610	4011	3780			
Hydrocarbon	Parkman Sandstone	4011	3780	4098	3860			Not productive in this area
Confining Layer	Pierre Formation	4098	3860	4683	4395			
Hydrocarbon	Sussex Sandstone	4683	4395	4830	4530			Not productive in this area
Confining Layer	Pierre Formation	4830	4530	5464	5110			
Hydrocarbon	Shannon Sandstone	5464	5110	5562	5200			Not productive in this area
Confining Layer	Pierre Formation	5562	5200	7324	6750			
Subsurface Hazard	Sharon Springs	7324	6750	7655	6840			Sloughing shales
Hydrocarbon	Niobrara	7655	6840	20540	6840			

OPERATOR COMMENTS AND SUBMITTAL

Comments

The distance to the completed portion of the nearest well in the same unit on the "Spacing & Formations" tab is measured to the proposed Shelton 25W-25-04. This distance was measured in 2-dimensional space.

The distance to the nearest well belonging to another operator on the "Drilling Plan" tab was measured to the Arens G 26-19 (API #05-123-30608). A stimulation setback consent signed by Noble Energy Inc. is attached as STIMULATION SETBACK CONSENT.

The proposed wellbore is less than 150' from the Shelton G 25-22 (API #05-123-33519). Since this well is PA, a stimulation setback consent is not required.

The producing interval of the proposed well is less than 150 from the producing intervals of the Shelton 18-25XX (API #05-123-22169-00) and Shelton 18-25XX (API #05-123-22169-02) . A stimulation setback consent signed by Noble Energy Inc. is attached as STIMULATION SETBACK CONSENT.

Attached as OTHER, is the anti-collision analysis which factors in three dimensional measurements as well as gyro surveys performed on some of the offset wellbores. All measurements to offset wellbores were derived from this analysis.

This application is in a Comprehensive Area Plan _____ CAP #: _____
Oil and Gas Development Plan Name Shelton 4N65W-West OGD OGD ID#: 482324
Location ID: 483039

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

Signed: _____ Print Name: Jeff Annable

Title: Lead, Regulatory Date: 10/19/2022 Email: jannable@civiresources.com

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

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.

COA Type

Description

0 COA

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	One of the first wells drilled on the pad during the first rig occupation will be logged with open-hole resistivity log with gamma-ray log from the kick-off point into the surface casing for one of the stratigraphically deepest wells on the pad. 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 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.
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.

Total: 2 comment(s)

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
403184093	DEVIATED DRILLING PLAN
403184095	WELL LOCATION PLAT
403184100	DIRECTIONAL DATA
403188544	OTHER
403188925	OffsetWellEvaluations Data
403202741	STIMULATION SETBACK CONSENT

Total Attach: 6 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.

