

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:

402988813

Date Received:

09/25/2022

## APPLICATION FOR PERMIT TO

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate
Amend ☐
 TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER: \_\_\_\_\_
Refill ☐
 ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒
Sidetrack ☐

Well Name: FEDERAL

Well Number: RG 321-24-298

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): \_\_\_\_\_

## 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 \$ 655000

## WELL LOCATION INFORMATION

## Surface Location

QtrQtr: LOT 12 Sec: 13 Twp: 2S Rng: 98W Meridian: 6

Footage at Surface: 930 Feet FSL 1084 Feet FEL

Latitude: 39.871737 Longitude: -108.337978

GPS Data: GPS Quality Value: 1.8 Type of GPS Quality Value: PDOP

Date of Measurement: 07/21/2021

Ground Elevation: 6667

Field Name: SULPHUR CREEK

Field Number: 80090

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: 24 Twp: 2S Rng: 98W

Footage at TPZ: 630 FNL 1741 FWL

Measured Depth of TPZ: 6556

True Vertical Depth of TPZ: 6057 FNL/FSL FEL/FWL

**Base of Productive Zone (BPZ)**

Sec: 24 Twp: 2S Rng: 98W Footage at BPZ: 630 FNL 1741 FWL  
Measured Depth of BPZ: 11899 True Vertical Depth of BPZ: 11357 FNL/FSL FEL/FWL

**Bottom Hole Location (BHL)**

Sec: 24 Twp: 2S Rng: 98W Footage at BHL: 630 FNL 1741 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: 04/29/2022

Comments: Rio Blanco County Oil or Gas Well Pad Special Use/Building Permit: COGW-0002-22

**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.)

T2S-R97W  
SEC 18: S2NE4, E2W2, SE4, LOTS 1-4  
T2S-R98W  
SEC 12: N2SW4, S2NW4, SW4NE4, NE4NW4, LOTS 17-20  
SEC 13: LOTS 1-12, SW4  
SEC 14: E2SE4, LOTS 1, 8  
SEC 23: E2NE4, N2SE4, SW4NE4  
SEC 24: N2, N2S2

Total Acres in Described Lease: 2371 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC0003453

## SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet  
Building Unit: 5280 Feet  
Public Road: 4813 Feet  
Above Ground Utility: 5096 Feet  
Railroad: 5280 Feet  
Property Line: 4942 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.)
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ILES	ILES	1-229		
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: 3008 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: 381 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: 11899 Feet

TVD at Proposed Total Measured Depth 11357 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: 518 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**

<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	30	20	X-65	78.67	0	80	230	80	0
SURF	17+1/2	13+3/8	J-55	54.5	0	1365	446	1365	0
1ST	12+1/4	9+5/8	J-55	36	0	3177	154	3177	2177
2ND	8+3/4	4+1/2	P-110	11.6	0	11899	1364	11899	6356

☐ 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	30	30	888	880	501-1000	Produced Water Sample	
Groundwater	GRRV	888	880	1044	1030	501-1000	Produced Water Sample	
Subsurface Hazard	GRRV A GROOVE	1044	1030	1246	1220			
Subsurface Hazard	GRRV B GROOVE	1246	1220	1585	1530			
Subsurface Hazard	GRRV DISSOLUTION SURF	1585	1530	2342	2220			Potential Loss Zone
Confining Layer	GARDEN GULCH	2342	2220	2540	2400			
Confining Layer	GRRV ORANGE	2540	2400	2628	2480			
Confining Layer	U WASATCH	2628	2480	4956	4600			
Hydrocarbon	G SAND	4956	4600	5412	5015			Potential Loss Zone/Non-Productive Zone
Hydrocarbon	FT UNION	5412	5015	6274	5800			
Confining Layer	L WASATCH	6274	5800	6556	6057			
Hydrocarbon	OHIO CREEK	6556	6057	7313	6777			
Hydrocarbon	U MESAVERDE	7313	6777	8119	7577			
Hydrocarbon	KMVGAS	8119	7577	9689	9147			
Hydrocarbon	CAMEO	9689	9147	10419	9877			
Hydrocarbon	ROLLINS	10419	9877	10569	10027			
Hydrocarbon	COZZETTE	10569	10027	10894	10352			
Hydrocarbon	CORCORAN	10894	10352	11154	10612			
Hydrocarbon	UPPER SEGO	11154	10612	11399	10857			
Hydrocarbon	LOWER SEGO	11399	10857	11899	11357			

**OPERATOR COMMENTS AND SUBMITTAL**

Comments: Nearest permitted or completed well in same formation: Federal RG 21-24-298 (Doc #402988815).

The Federal OG Colo 03453 # 9 well (05-103-05161) was used for the distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator (AC Report).

OGDP Application (Docket #220500097) and Form 2A (Doc #402932454) approved on 09/21/2022.

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

Oil and Gas Development Plan Name Ryan Gulch Phase 2 OGDP ID#: 482485

Location ID: 315513

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: 9/25/2022

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: 11/9/2022

Expiration Date: 09/06/2025

**API NUMBER**

05 103 12577 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.**

#### **COA Type**

#### **Description**

Drilling/Completion Operations	1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. See attached notice.  2)Operator shall provide cement coverage from the production casing shoe (4+1/2" SECOND STRING) to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify production casing cement coverage with cement bond log.
Interim Reclamation	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
2 COAs	

### **Best Management Practices**

#### **No BMP/COA Type**

#### **Description**

1 Drilling/Completion Operations	Alternative Logging Program: One of the first wells drilled on this pad will be logged with an open-hole resistivity log with gamma-ray, from TD into the 9 5/8" casing shoe. 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.
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Total: 1 comment(s)

### **Attachment List**

<u>Att Doc Num</u>	<u>Name</u>
402988813	FORM 2 SUBMITTED
403043974	WELL LOCATION PLAT
403043975	DIRECTIONAL DATA
403043983	DEVIATED DRILLING PLAN
403052666	OffsetWellEvaluations Data
403212851	OffsetWellEvaluations Data
403223730	OFFSET WELL EVALUATION

Total Attach: 7 Files

### **General Comments**

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	11/04/2022
Engineer	<p>Offset water well check: There are no permitted domestic water wells within one mile of this proposed surface hole location.</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>An Intermediate casing is used by the Operator due to geologic wellbore conditions pertaining to losses</p> <p>Contacted Operator and uploaded a revised Offset Well Evaluation</p>	10/31/2022
Permit	<p>Added Federal Financial Assurance amount per operator</p> <p>Corrected well name of closest wellbore belonging to another operator on Submit tab</p> <p>Passed Permitting review</p>	10/06/2022
OGLA	The Commission approved OGDG #482485 on September 7, 2022 for the Oil and Gas Location related to this Form 2. OGLA task passed.	09/29/2022

Total: 4 comment(s)