

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:

402988845

Date Received:

09/25/2022

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: FEDERAL Well Number: RG 312-18-297  
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: 964 Feet FSL 1065 Feet FEL

Latitude: 39.871829 Longitude: -108.337908

GPS Data: GPS Quality Value: 1.5 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: 18 Twp: 2S Rng: 97W Footage at TPZ: 1934 FNL 1009 FWL

Measured Depth of TPZ: 7254 True Vertical Depth of TPZ: 6627 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 18 Twp: 2S Rng: 97W Footage at BPZ: 1934 FNL 1009 FWL  
Measured Depth of BPZ: 12598 True Vertical Depth of BPZ: 11927 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 18 Twp: 2S Rng: 97W Footage at BHL: 1934 FNL 1009 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? [X] Yes [ ] No

[X] 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 [X] Federal [ ] Indian

Mineral Owner beneath this Well's Oil and Gas Location: [ ] Fee [ ] State [X] 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: 4849 Feet  
 Above Ground Utility: 5132 Feet  
 Railroad: 5280 Feet  
 Property Line: 4975 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.)
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: 1763 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: 334 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: 12598 Feet

TVD at Proposed Total Measured Depth 11927 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: 526 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	230	80	0
SURF	17+1/2	13+3/8	J-55	54.5	0	1363	445	1363	0
1ST	12+1/4	9+5/8	J-55	36	0	3198	154	3198	2198
2ND	8+3/4	4+1/2	P-110	11.6	0	12598	993	12598	7054

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	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	1245	1220			
Subsurface Hazard	GRRV B GROOVE	1245	1220	1585	1530			
Subsurface Hazard	GRRV DISSOLUTION SURF	1585	1530	2352	2220			Potential Loss Zone
Confining Layer	GARDEN GULCH	2352	2220	2553	2400			
Confining Layer	GRRV ORANGE	2553	2400	2642	2480			
Confining Layer	U WASATCH	2642	2480	5001	4600			
Hydrocarbon	G SAND	5001	4600	5462	5015			Potential Loss Zone/Non-Productive Zone
Hydrocarbon	FT UNION	5462	5015	6336	5800			
Confining Layer	L WASATCH	6336	5800	7254	6627			
Hydrocarbon	OHIO CREEK	7254	6627	8012	7347			
Hydrocarbon	U MESAVERDE	8012	7347	8818	8147			
Hydrocarbon	KMVGAS	8818	8147	10388	9717			
Hydrocarbon	CAMEO	10388	9717	11118	10447			
Hydrocarbon	ROLLINS	11118	10447	11268	10597			
Hydrocarbon	COZZETTE	11268	10597	11593	10922			
Hydrocarbon	CORCORAN	11593	10922	11853	11182			
Hydrocarbon	UPPER SEGO	11853	11182	12098	11427			
Hydrocarbon	LOWER SEGO	12098	11427	12598	11927			

## OPERATOR COMMENTS AND SUBMITTAL

Comments: Nearest permitted or completed well in same formation: Federal RG 12-18-297 (API #05-103-12477).

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 12566 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**

<b>Att Doc Num</b>	<b>Name</b>
402988845	FORM 2 SUBMITTED
403047035	WELL LOCATION PLAT
403047036	DEVIATED DRILLING PLAN
403047038	DIRECTIONAL DATA
403052693	OffsetWellEvaluations Data
403213414	OffsetWellEvaluations Data
403223701	OFFSET WELL EVALUATION

Total Attach: 7 Files

### **General Comments**

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
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	Passed Permitting review.	10/06/2022
Permit	Added Federal Financial Assurance amount per operator Corrected well name of closest wellbore belonging to another operator on Submit tab	10/05/2022
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: 5 comment(s)