

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:

403038464

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 421-13-298
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 4 Sec: 13 Twp: 2S Rng: 98W Meridian: 6

Footage at Surface: 1081 Feet FNL 905 Feet FWL

Latitude: 39.882208 Longitude: -108.346515

GPS Data: GPS Quality Value: 1.6 Type of GPS Quality Value: PDOP Date of Measurement: 07/21/2022

Ground Elevation: 6618

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: 13 Twp: 2S Rng: 98W Footage at TPZ: 887 FNL 1605 FWL
Measured Depth of TPZ: 6529 True Vertical Depth of TPZ: 6498 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 13 Twp: 2S Rng: 98W Footage at BPZ: 887 FNL 1605 FWL
Measured Depth of BPZ: 11836 True Vertical Depth of BPZ: 11798 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 13 Twp: 2S Rng: 98W Footage at BHL: 887 FNL 1605 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-0001-22

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: 4286 Feet
Above Ground Utility: 4260 Feet
Railroad: 5280 Feet
Property Line: 2404 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: 1721 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: 11836 Feet

TVD at Proposed Total Measured Depth 11798 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 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? 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	X55	78.67	0	80	230	80	0
SURF	17+1/2	13+3/8	J55	54.5	0	1335	436	1335	0
1ST	12+1/4	9+5/8	J55	36	0	3054	154	3054	2051
2ND	8+3/4	4+1/2	P110	11.6	0	11836	987	11836	6329

☐ 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	883	880	501-1000	Produced Water Sample	
Groundwater	GRRV	883	880	1034	1030	501-1000	Produced Water Sample	
Subsurface Hazard	GRRV A GROOVE	1034	1030	1225	1220			
Subsurface Hazard	GRRV B GROOVE	1225	1220	1536	1530			
Subsurface Hazard	GRRV DISSOLUTION SURF	1536	1530	2270	2260			POTENTIAL LOSS ZONE
Confining Layer	GARDEN GULCH	2270	2260	2471	2460			
Confining Layer	ORANGE MARKER	2471	2460	2551	2540			
Confining Layer	UPPER WASATCH	2551	2540	4722	4700			
Hydrocarbon	G SAND	4722	4700	5139	5115			POTENTIAL LOSS ZONE/NON-PRODUCTIVE ZONE
Hydrocarbon	FT UNION	5139	5115	5928	5900			
Confining Layer	LOWER WASATCH	5928	5900	6529	6498			
Hydrocarbon	OHIO CREEK	6529	6498	7253	7218			
Hydrocarbon	UPPER MESARVERDE	7253	7218	8056	8018			
Hydrocarbon	TOP GAS	8056	8018	9626	9588			
Hydrocarbon	CAMEO	9626	9588	10356	10318			
Hydrocarbon	ROLLINS	10356	10318	10506	10468			
Hydrocarbon	COZZETTE	10506	10468	10831	10793			
Hydrocarbon	CORCORAN	10831	10793	11091	11053			
Hydrocarbon	UPPER SEGO	11091	11053	11336	11298			
Hydrocarbon	LOWER SEGO	11336	11298	11836	11798			

OPERATOR COMMENTS AND SUBMITTAL

Comments: Nearest permitted or completed well in same formation: Federal RG 521-13-298 (Doc #403038507). OGDG Application (Docket #220500097) and Form 2A (Doc #402932455) 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 OGDG ID#: 482485
 Location ID: 482958

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

Signed: _____

Print Name: Melissa LukeTitle: Regulatory SpecialistDate: 9/25/2022Email: 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: 11/9/2022Expiration Date: 09/06/2025**API NUMBER**

05 103 12594 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 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.
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Total: 1 comment(s)

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
403038464	FORM 2 SUBMITTED
403173854	OffsetWellEvaluations Data
403173855	DIRECTIONAL DATA
403173857	WELL LOCATION PLAT
403173858	DEVIATED DRILLING PLAN
403215803	OffsetWellEvaluations Data
403223851	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. There is one Colorado Parks and Wildlife water well for livestock use that is 95 ft. in depth.</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>	11/01/2022
Permit	Passed Permitting review.	09/30/2022
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
Permit	Added Federal Financial Assurance amount per operator Corrected Total Acres in Described Lease per operator	09/29/2022

Total: 5 comment(s)