

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:

403177423

Date Received:

10/10/2022

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: Shelton

Well Number: 25W-25-04

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

Footage at Surface: 2357 Feet FNL/FSL 302 Feet FEL/FWL FSL FEL

Latitude: 40.282433

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: 1156 FNL 2478 FWL

Measured Depth of TPZ: 7724

True Vertical Depth of TPZ: 6840 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 27 Twp: 4N Rng: 65WFootage at BPZ: 1154 FNL 150 FWLMeasured Depth of BPZ: 20610True Vertical Depth of BPZ: 6840 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 27 Twp: 4N Rng: 65WFootage at BHL: 1154 FNL 150 FWLFNL/FSLFEL/FWL**LOCAL GOVERNMENT PERMITTING INFORMATION**County: 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: S2SW

Total Acres in Described Lease: 80 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1610 Feet
Building Unit: 3136 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 PROGRAM

Proposed Total Measured Depth: 20610 Feet

TVD 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: 15 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? Yes

BOP 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	20610	2748	20610	

☐ 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	771	770			
Groundwater	Upper Pierre	771	770	1649	1610	501-1000	Electric Log Calculation	Shelton G 25-22 (05-123-33519)
Confining Layer	Base of Upper Pierre	1649	1610	4045	3780			
Hydrocarbon	Parkman Sandstone	4045	3780	4133	3860			Not productive in this area
Confining Layer	Pierre Formation	4133	3860	4723	4395			
Hydrocarbon	Sussex Sandstone	4723	4395	4872	4530			Not productive in this area
Confining Layer	Pierre Formation	4872	4530	5513	5110			
Hydrocarbon	Shannon Sandstone	5513	5110	5612	5200			Not productive in this area
Confining Layer	Pierre Formation	5612	5200	7391	6750			
Subsurface Hazard	Sharon Springs	7391	6750	7724	6840			Sloughing shales
Hydrocarbon	Niobrara	7724	6840	20610	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-25-05. 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 Anderson 17-27 (API #05-123-23462). Since the well is PA a stimulation setback consent is not required.

The proposed wellbore is less than 150' from the Shelton G 26-17D (API #05-123-23543) and Bolender 1 (API #05-123-11984) wellbores. Since these wells are PA, a stimulation setback consent is not required.

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: 10/10/2022 Email: jannable@civiresources.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: 11/18/2022

Expiration Date: 11/17/2025

API NUMBER

05 123 51893 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	<p>Operator acknowledges the proximity of the listed wells. Operator agrees to: provide mitigation option 1 or 2 (per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>CRESTONE PEAK RESOURCES OPERATING LLC 123-11086 BEEBE DRAW *1 CRESTONE PEAK RESOURCES OPERATING LLC 123-11847 DUPPER *1 NOBLE ENERGY INC 123-12367 SHELTON RG *26-1 NOBLE ENERGY INC 123-12393 SHELTON RG *26-7 NOBLE ENERGY INC 123-12588 PLUSS G *25-07 NOBLE ENERGY INC 123-12791 SHELTON R G *26-8 NOBLE ENERGY INC 123-12798 SHELTON R G *26-2 NOBLE ENERGY INC 123-14875 DABNEY G *23-15 NOBLE ENERGY INC 123-15547 RUPERT G *23-16 NOBLE ENERGY INC 123-18172 ANDERSON *41-27 NOBLE ENERGY INC 123-17875 CRAVEN *44-22</p> <p>Operator acknowledges the proximity of the listed non-operated wells. Operator assures that this offset list will be remediated per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document Operator using Option 3. Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>RICHARDSON OPERATING COMPANY 123-13214 BOHLENDER 1</p> <p>Operator acknowledges the proximity of the listed wells. Operator agrees to: provide mitigation option 4 (per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document). Operator will submit a Form 42 ("OTHER – AS SPECIFIED BY PERMIT CONDITION") stating that appropriate mitigation will be completed, during the hydraulic stimulation of this well. This Form 42 shall be filed 48 hours prior to stimulation. Surface and production casing pressures of this offset well list will be actively monitored during stimulation of this well. Records shall be retained and provided to COGCC engineering upon request. If there is indication of communication between the stimulation treatment and an offset well, treatment will be stopped and COGCC Engineering notified.</p> <p>CRESTONE PEAK RESOURCES OPERATING LLC 123-24148 BRANCH *0-6-23 CRESTONE PEAK RESOURCES OPERATING LLC 123-26212 LIBSACK *4-8-27 NOBLE ENERGY INC 123-39549 Heartland State *G36-75-1HN NOBLE ENERGY INC 123-39551 Heartland *G25-73-1HN PDC ENERGY INC 123-46838 Lory *9N PDC ENERGY INC 123-46860 Lory *12N</p>
Drilling/Completion Operations	<p>Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test:</p> <ol style="list-style-type: none"> 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact COGCC engineering for approval prior to stimulation. 2) If a delayed completion, a second test is required between 6-9 months after rig release and must be conducted prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact COGCC engineering for approval prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.

Drilling/Completion Operations	<p>1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 2 business day spud notice via Form 42 for all subsequent wells drilled on the pad.</p> <p>2) Comply with Rule 408.j. and provide cement coverage from TD to a minimum of 500' above Niobrara and from 500' below Sussex to 500' above Sussex. Verify coverage with a cement bond log.</p> <p>3) Oil based drilling fluid can only be used after all groundwater has been isolated.</p>
3 COAs	

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>
403177423	FORM 2 SUBMITTED
403184004	WELL LOCATION PLAT
403184005	DEVIATED DRILLING PLAN
403184007	DIRECTIONAL DATA
403188415	OTHER
403188924	OffsetWellEvaluations Data
403234265	OFFSET WELL EVALUATION

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	11/18/2022
Permit	Permitting Review Complete.	11/08/2022
OGLA	The Commission approved OGDG #482324 on September 28, 2022 for the Oil and Gas Location related to this Form 2. OGLA task passed.	10/11/2022

Total: 3 comment(s)