

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:

403230236

Date Received:

12/02/2022

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: Prosper Farms 4-65

Well Number: 2-1-6 3BH

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: Nathan Bennett

Phone: (303)312-8166

Fax: ( )

Email: nbennett@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: NWSW Sec: 2 Twp: 4S Rng: 65W Meridian: 6

Footage at Surface: 1429 Feet FNL/FSL FSL 553 Feet FEL/FWL FWL

Latitude: 39.729535 Longitude: -104.638753

GPS Data: GPS Quality Value: 1.4 Type of GPS Quality Value: PDOP

Date of Measurement: 04/19/2021

Ground Elevation: 5632

Field Name: DJ HORIZONTAL NIOBRARA

Field Number: 16950

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: 2 Twp: 4S Rng: 65W Footage at TPZ: 1600 FSL 330 FWL  
Measured Depth of TPZ: 8228 True Vertical Depth of TPZ: 7850 FNL/FSL FEL/FWL

**Base of Productive Zone (BPZ)**Sec: 6 Twp: 4S Rng: 64WFootage at BPZ: 1150 FSL 330 FELMeasured Depth of BPZ: 23715True Vertical Depth of BPZ: 7850 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 6 Twp: 4S Rng: 64WFootage at BHL: 1150 FSL 330 FELFNL/FSLFEL/FWL**LOCAL GOVERNMENT PERMITTING INFORMATION**County: ARAPAHOEMunicipality: 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: 10/11/2022Comments: Approved AEUSR: Approved 10/11/22**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 ☐ 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.)

T4S R65W Sec. 2: All; Sec. 14: E/2; E/2NW/4; SW/4NW/4; T4S R64W: Sec. 4: NW/4NW/4; Sec. 6: S/2; NW/4; Sec. 18: N/2; N/2SW/4Total Acres in Described Lease: 1980 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # \_\_\_\_\_

## SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 3797 Feet  
Building Unit: 4020 Feet  
Public Road: 535 Feet  
Above Ground Utility: 578 Feet  
Railroad: 3436 Feet  
Property Line: 523 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           | 535-1398                | 1920                          | T4S R64W Sec. 6: All; T4S R65W Sec. 1, 2: 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: 330 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: 620 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

Order No. 535-1092 is amended to approve an additional seven horizontal wells, for a total of nine horizontal wells, within an approximate 1,920-acre drilling & spacing unit for the Application Lands for DSU No.1 for production from the Niobrara Formation

## DRILLING PROGRAM

Proposed Total Measured Depth: 23715 Feet

TVD at Proposed Total Measured Depth 7850 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: 760 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? 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   | 26           | 16             | A53B  | 42.09 | 0             | 100           | 114       | 100     | 0       |
| SURF        | 13+1/2       | 9+5/8          | J55   | 36    | 0             | 3220          | 1073      | 3220    | 0       |
| 1ST         | 8+1/2        | 5+1/2          | P110  | 17    | 0             | 23715         | 3659      | 23715   |         |

☐ 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       | Denver                  | 0        | 0          | 664         | 664           | 0-500      | Groundwater Atlas        | USGS HA-646 (Robson & Romero, 1981)         |
| Groundwater       | Arapahoe                | 664      | 664        | 1242        | 1239          | 0-500      | Groundwater Atlas        | USGS HA-647 (Robson & Romero, 1981)         |
| Groundwater       | Laramie-fox Hills       | 1242     | 1239       | 1948        | 1939          | 0-500      | Groundwater Atlas        | USGS HA-650 (Robson & Romero, 1981)         |
| Confining Layer   | Pierre Shale            | 1948     | 1939       | 2411        | 2399          |            |                          |   |
| Groundwater       | Upper Pierre Aquifer    | 2411     | 2399       | 3087        | 3069          | 1001-10000 | Electric Log Calculation | Amoco-Westan-Fischahs 1 (05-005-06204-0000) |
| Confining Layer   | Base of Upper Pierre Aq | 3087     | 3069       | 4190        | 4164          |            |                          |   |
| Hydrocarbon       | Larimer                 | 4190     | 4164       | 4306        | 4279          |            |                          |   |
| Confining Layer   | Pierre Shale            | 4306     | 4279       | 5324        | 5289          |            |                          |   |
| Hydrocarbon       | Sussex                  | 5324     | 5289       | 5435        | 5399          |            |                          |   |
| Confining Layer   | Pierre Shale            | 5435     | 5399       | 6060        | 6019          |            |                          |   |
| Hydrocarbon       | Shannon                 | 6060     | 6019       | 6463        | 6419          |            |                          |   |
| Confining Layer   | Pierre Shale            | 6463     | 6419       | 7657        | 7589          |            |                          |   |
| Subsurface Hazard | Sharon Springs          | 7657     | 7589       | 7746        | 7659          |            |                          |   |
| Hydrocarbon       | Niobrara                | 7746     | 7659       | 23715       | 7850          |            |                          |   |

## OPERATOR COMMENTS AND SUBMITTAL

### Comments

Distance from completed zone of this wellbore to nearest completed zone of an offset well within the same unit permitted or completed in the same formation was measured to the proposed Prosper Farms 4-65 2-1-6 3AH operated by Crestone Peak Resources Operating LLC in 2D.

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells was measured to the DA 1 Amoco-Westan-Fischahs (05-005-06204) operated by Amoco Production Company.

This application is in a Comprehensive Area Plan No CAP #: \_\_\_\_\_  
Oil and Gas Development Plan Name Prosper Farms 4-65 2-1-6 OGDID #: 482697  
Location ID: 443722

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

Signed: \_\_\_\_\_ Print Name: Andrea Gross

Title: Permit Tech Date: 12/2/2022 Email: agross@upstreampm.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: 1/12/2023

Expiration Date: 11/15/2025

### API NUMBER

05 005 07519 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.

| <u>COA Type</u>                | <u>Description</u>  |
|--------------------------------|---|
| Interim Reclamation            | Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).  |
| Construction                   | If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016).   |
| Drilling/Completion Operations | 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.<br>2) Comply with Rule 408.j. and provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with a cement bond log.  |
| Drilling/Completion Operations | 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.<br><br>005-06204 Amoco-Westan-Fischahs 1 Amoco Production Company  |
| Drilling/Completion Operations | 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:<br>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.<br>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.<br>3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance. |
| 5 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>                |
|--------------------|----------------------------|
| 403230236          | FORM 2 SUBMITTED           |
| 403230311          | DEVIATED DRILLING PLAN     |
| 403230313          | OTHER                      |
| 403230320          | DIRECTIONAL DATA           |
| 403232064          | OffsetWellEvaluations Data |
| 403234650          | WELL LOCATION PLAT         |
| 403288052          | OFFSET WELL EVALUATION     |

Total Attach: 7 Files

### General Comments

| <u>User Group</u> | <u>Comment</u>   | <u>Comment Date</u> |
|-------------------|--|---------------------|
| Permit            | With operators concurrence checked Fed Minerals.<br>Final Review Completed.  | 01/09/2023          |
| OGLA              | The Commission approved OGDG #482697 on November 16, 2022 for the Oil and Gas Location related to this Form 2. OGLA task passed. | 12/05/2022          |

Total: 2 comment(s)