

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:

403353858

Date Received:

04/24/2023

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: Blue 3-65

Well Number: 33-32-31-36 1BH

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: NWSW Sec: 34 Twp: 3S Rng: 65W Meridian: 6

Footage at Surface: 2283 Feet FNL/FSL FSL 493 Feet FEL/FWL FWL

Latitude: 39.746222

Longitude: -104.657704

GPS Data:

GPS Quality Value: 1.7

Type of GPS Quality Value: PDOP

Date of Measurement: 10/27/2020

Ground Elevation: 5594

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: 33 Twp: 3S Rng: 65W

Footage at TPZ: 1210 FNL 330 FEL

Measured Depth of TPZ: 8245

True Vertical Depth of TPZ: 7696

FNL/FSL

FEL/FWL

Base of Productive Zone (BPZ)

Sec: 36 Twp: 3S Rng: 66W Footage at BPZ: 400 FNL 330 FWL
Measured Depth of BPZ: 28783 True Vertical Depth of BPZ: 7696 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 36 Twp: 3S Rng: 66W Footage at BHL: 400 FNL 330 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: ADAMS Municipality: Aurora

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: 10/13/2021

Comments: Development Application Case Number 2021-6019-00

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.)

Township 3 South, Range 65 West
Section 32: Part of the W2

See attached lease map.

Total Acres in Described Lease: 299

Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2382 Feet
Building Unit: 3020 Feet
Public Road: 1886 Feet
Above Ground Utility: 1863 Feet
Railroad: 1249 Feet
Property Line: 365 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	535-1428	2560	T3S R65W SEC 31: ALL, SEC 32: ALL, SEC 33: ALL, T3S R66W SEC 36: 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: 610 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: 28783 Feet

TVD at Proposed Total Measured Depth 7696 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: 766 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

<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	26	16	N/A	42	0	100	114	100	0
SURF	13+1/2	9+5/8	J-55	36	0	3285	1114	3285	0
1ST	8+3/4	7	P-110	29	0	7366			
TAPER	8+3/4	5+1/2	P-110	20	7366	28783	4297	28783	

☐ 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	Denver	24	24	721	716	0-500	Groundwater Atlas	USGS HA-646 (Robson & Romero, 1981)
Groundwater	Arapahoe	721	716	1339	1316	0-500	Groundwater Atlas	USGS HA-647 (Robson et al, 1981)
Groundwater	Laramie-Fox Hills	1339	1316	2009	1966	0-500	Groundwater Atlas	USGS HA-650 (Robson et al, 1981)
Confining Layer	Pierre Formation	2009	1966	2515	2456			
Groundwater	Upper Pierre	2515	2456	3195	3116	501-1000	Electric Log Calculation	Flader Industries Inc B-1 (05-005-06536-0000)
Confining Layer	Base of Upper Pierre	3195	3116	4293	4181			
Hydrocarbon	Parkman Sandstone	4293	4181	4422	4306			Not productive in this area
Confining Layer	Pierre Formation	4422	4306	5402	5256			
Hydrocarbon	Sussex Sandstone	5402	5256	5603	5451			Not productive in this area
Confining Layer	Pierre Formation	5603	5451	6201	6031			
Hydrocarbon	Shannon Sandstone	6201	6031	6629	6446			Not productive in this area
Confining Layer	Pierre Formation	6629	6446	7976	7636			
Subsurface Hazard	Sharon Springs	7976	7636	8245	7696			Sloughing shales
Hydrocarbon	Niobrara	8245	7696	28783	7696			

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 Blue 3-65 33-32-32-36 2AH. 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 Flander Industries Inc. B-1 (API #05-001-06536). This distance was measured in 3-dimensional space.

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 Yes CAP #: 210700116

Oil and Gas Development Plan Name Blue 3-65 33-32-31 OGDID #: 481173

Location ID: 482308

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: Manager, Regulatory Date: 4/24/2023 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: 6/9/2023

Expiration Date: _____

API NUMBER

05 001 10550 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	Operator will log two (2) wells during the first rig occupation with open-hole resistivity log with gamma-ray log from the kick-off point into the surface casing for the two stratigraphically deepest wells on each side of the pad
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. 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. 3) Oil based drilling fluid can only be used after all groundwater has been isolated.
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: 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.

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>
403353858	FORM 2 SUBMITTED
403355882	WELL LOCATION PLAT
403356701	OffsetWellEvaluations Data
403377271	OTHER
403377272	DEVIATED DRILLING PLAN
403377273	DIRECTIONAL DATA
403380748	MINERAL LEASE MAP
403428949	OFFSET WELL EVALUATION

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	SLB has no concerns with this application. Final Review Completed.	06/08/2023
Permit	Emailed the SLB to notify them of this pending application.	05/23/2023
Permit	With operators concurrence corrected lease information and added Open Hole Logging COA.	05/23/2023
Permit	Requesting confirmation of mineral lease and addition of Open Hole Logging COA.	05/22/2023
OGLA	The Commission approved OGDG #481173 on March 02, 2023 for the Oil and Gas Location related to this Form 2. OGLA task passed.	04/25/2023

Total: 5 comment(s)