

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:

403367305

Date Received:

04/13/2023

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: Silverside 6-64 4-2

Well Number: 9HN

Name of Operator: GMT EXPLORATION COMPANY LLC

COGCC Operator Number: 10243

Address: 4949 S NIAGARA ST SUITE 250

City: DENVER

State: CO

Zip: 80237

Contact Name: Maxwell Blair

Phone: (303)586-9291

Fax: ()

Email: mblair@gmtexploration.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): 20070102

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: NENE Sec: 4 Twp: 6S Rng: 64W Meridian: 6

Footage at Surface: 1145 Feet FNL 401 Feet FEL

Latitude: 39.561831 Longitude: -104.551554

GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP

Date of Measurement: 05/10/2022

Ground Elevation: 6018

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: 4 Twp: 6S Rng: 64W Footage at TPZ: 1070 FSL 2552 FEL
Measured Depth of TPZ: 9539 True Vertical Depth of TPZ: 7798 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 2 Twp: 6S Rng: 64W Footage at BPZ: 1049 FSL 600 FEL
Measured Depth of BPZ: 21895 True Vertical Depth of BPZ: 7798 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 2 Twp: 6S Rng: 64W Footage at BHL: 1049 FSL 550 FEL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: ELBERT 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: Other Date of Final Disposition:

Comments: The Elbert County permit will be submitted at a later date.

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.)

T6S R64W Sec. 5; 7: All; T6S R65W Sec. 11: E2NW;NE;W2SE;W2SW; Sec. 15: E2NW; NE; W2SE; W2SW; Sec. 25: All; Sec. 27: All; Sec. 35: N2; SW.

Total Acres in Described Lease: 3811

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

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 3121 Feet
Building Unit: 3116 Feet
Public Road: 1129 Feet
Above Ground Utility: 3393 Feet
Railroad: 5280 Feet
Property Line: 401 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	535-1424	3247	T6S R64W Sec. 2,3,4,5,6: 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: 600 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: 470 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

The OGDG Order 535-1423 approved the Ragged 6-64 4 COGCC Form 2A.

DRILLING PROGRAM

Proposed Total Measured Depth: 21945 Feet

TVD at Proposed Total Measured Depth 7798 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: 440 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	H40	42	0	80	100	80	0
SURF	13+1/2	9+5/8	J55	36	0	2180	572	2180	0
1ST	8+1/2	5+1/2	P110	20	0	21945	3847	21945	

☐ 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	Upper Dawson	0	0	80	80	0-500	DWR	
Groundwater	Lower Dawson	80	80	205	205	0-500	DWR	
Groundwater	Denver	205	205	1092	1092	0-500	DWR	
Groundwater	Upper Arapahoe	1092	1092	1916	1897	0-500	DWR	
Groundwater	Laramie-Fox Hills	1916	1897	2170	2131	0-500	DWR	
Confining Layer	Pierre Shale	2170	2131	6322	5461			
Hydrocarbon	Sussex-Terry	6322	5461	7261	6200			
Confining Layer	Pierre Shale	7261	6200	8944	7571			
Subsurface Hazard	Sharon Springs Shale	8944	7571	9018	7621			
Hydrocarbon	Niobrara	9018	7621	21945	7798			

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 Silverside 6-64 4-2 10HN operated by GMT Exploration Company, 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 PA LM Nordman LM #1 (05-039-06191) operated by Texaco.

This well has a bottom-hole location beyond the unit boundary setback. The bottom of the completed interval will be within the unit boundary setback at 1049' FSL and 600' FEL of Section 2. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

This application is in a Comprehensive Area Plan No CAP #: _____
Oil and Gas Development Plan Name Ragged 6-64 4 OGDID ID#: 483696
Location ID: 484179

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 Agent Date: 4/13/2023 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: 7/7/2023

Expiration Date: 07/06/2026

API NUMBER

05 039 06771 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>
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. Verify coverage with a cement bond log.</p>
Drilling/Completion Operations	<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>005-06559 Smokey Hill State 13-34 (Chandler and Associates LLC) 039-06191 Nordman LM 1 (Texaco Exploration and Production Inc)</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> <p>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.</p> <p>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.</p> <p>3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.</p>
Drilling/Completion Operations	<p>Operator will ensure the wellbore beyond the unit boundary setback is physically isolated and is not completed. In the Operator Comments on the Form 5A the operator will (1) report the footages from the section lines of the bottom of the completed interval (2) describe how the wellbore beyond the unit boundary setback is physically isolated and (3) certify that none of the wellbore beyond the setback was completed.</p>
Drilling/Completion Operations	<p>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</p>
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>
403367305	FORM 2 SUBMITTED
403367483	WELL LOCATION PLAT
403367487	DIRECTIONAL DATA
403373455	OffsetWellEvaluations Data
403373456	DEVIATED DRILLING PLAN
403456299	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	06/30/2023
Engineer	Added the 2 wells for Option 3. Operator concurs	06/21/2023
Permit	- Changed the surface location from Lot 1 to NENE since Lot 1 is bigger then the stander quarter quarter -Received consent from the operator for the following: 1.Adding the drilling beyond the setback COA 2.Adding the open hole logging COA -Passed Permit Review	06/12/2023
Permit	-Updated the field name -Corrected the MD for the TPZ as per the well location plat -Corrected the footages on the drilling beyond the setback comment as per the well location plat Requesting to add the drilling beyond the setback COA from the operator	05/18/2023
OGLA	The Commission approved OGDG #483696 on March 29, 2023 for the Oil and Gas Location related to this Form 2. OGLA task passed.	04/14/2023

Total: 5 comment(s)