

FORM

2

Rev
05/22

State of Colorado

Energy & Carbon Management Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Document Number:

403400623

Date Received:

06/22/2023

APPLICATION FOR PERMIT TO

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate
Amend ☐TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____Refile ☒ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Razor Well Number: 10E-0306

Name of Operator: FUNDARE RESOURCES OPERATING COMPANY LLC COGCC Operator Number: 10773

Address: 5251 DTC PKWY STE 950

City: GREENWOOD VILLAGE State: CO Zip: 80111

Contact Name: Sydney Smith Phone: (303)910-4511 Fax: ()

Email: smith@fundareresources.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): 20210061

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: SWNW Sec: 10 Twp: 10N Rng: 58W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 2330 Feet FNL 694 Feet FWLLatitude: 40.854108 Longitude: -103.858822GPS Data: GPS Quality Value: 1.6 Type of GPS Quality Value: PDOP Date of Measurement: 05/17/2013Ground Elevation: 5025Field Name: WILDCAT Field Number: 99999Well 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: 10 Twp: 10N Rng: 58W Footage at TPZ: 2554 FNL 1641 FEL

Measured Depth of TPZ: 7387 True Vertical Depth of TPZ: 6276 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 3 Twp: 10N Rng: 58WFootage at BPZ: 300 FNL 1631 FELMeasured Depth of BPZ: 14950True Vertical Depth of BPZ: 6276 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 3 Twp: 10N Rng: 58WFootage at BHL: 100 FNL 1630 FELFNL/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.? 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 location of this refile was permitted with the COGCC and built prior to needing a local government, WOGLA permit.**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.)

Section 2 Lot 4,SWNW, W/2SW
Section 3 N/2SE, SESE, NESW, w/2SW
Section 4 N/2SE
Section 10 W/2NW, SENW,SWNE
T10N R58W

Total Acres in Described Lease: 640

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

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
Public Road: 683 Feet
Above Ground Utility: 2472 Feet
Railroad: 5280 Feet
Property Line: 331 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	535-1405	960	N/2 10, All 3

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: 100 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: 740 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: 15150 Feet

TVD at Proposed Total Measured Depth 6276 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? Yes

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	ATSTM	65	0	80	100	80	0
SURF	13+1/2	9+5/8	J55	36	0	1820	750	1820	0
1ST	8+1/2	5+1/2	P110	200	0	15150	2100	15150	

☐ 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
Confining Layer	Laramie	0	0	416	416			
Groundwater	Fox Hills	416	416	926	926	501-1000	USGS	
Confining Layer	Pierre Shale	926	926	1371	1371			
Groundwater	Upper Pierre Sands	1371	1371	1721	1721	1001-10000	Other	CO DNR Report Project Number 2141, page 10. Study-wide mean TDS value.
Confining Layer	Pierre Shale	1721	1721	3600	3561			
Hydrocarbon	Parkman Sandstone	3600	3561	4100	4041			
Hydrocarbon	Pierre Shale	4100	4041	5300	5221			
Hydrocarbon	Upper Sharon Springs	5300	5221	5800	5791			
Hydrocarbon	Lower Sharon Springs	5800	5791	5900	5873			
Hydrocarbon	Niobrara	5900	5873	15150	6276			

OPERATOR COMMENTS AND SUBMITTAL

Comments

This location has been constructed.

This is a refile Form 2 being filed under the existing API#. The TPZ and BHL have been updated. No changes have been made to the surface hole location.

The nearest well in the same formation is planned RAZOR 10E-0308 well.

This application is in a Comprehensive Area Plan No CAP #: _____
Oil and Gas Development Plan Name _____ OGD ID#: _____
Location ID: 438566

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

Signed: _____ Print Name: Sydney Smith

Title: Director EHSR Date: 6/22/2023 Email: smith@fundareresources.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: 10/5/2023

Expiration Date: 10/04/2026

API NUMBER

05 123 40055 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	1) Submit Form 42 electronically to ECMC 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) Increase the surface casing setting depth to 1820' MD, adjust the cement volume accordingly.
Drilling/Completion Operations	Per ECMC 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 ECMC 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 ECMC 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	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
Construction	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
4 COAs	

Best Management Practices

No	BMP/COA Type	Description
1	Storm Water/Erosion Control	Stormwater management plans (SWMP) are in place to address construction, drilling Control and operations associated with oil and gas development throughout the State of Colorado. BMPs will be constructed as necessary to prevent stormwater from leaving the construction site. BMPs used will vary according to the location, and will remain until the pad is reclaimed.
2	Material Handling and Spill Prevention	<p>Spill Prevention Control and Countermeasures (SPCC) plans are in place to address Prevention any possible spill associated with oil and gas operations throughout the State of Colorado.</p> <ul style="list-style-type: none"> • Materials and fluids will be stored in a neat and orderly fashion. • Waste will be collected regularly and disposed of at an offsite facility. • Prompt cleanup is required of spills to minimize waste materials entering the stormwater runoff. • Drip pans will be used during fueling and maintenance to contain spills or leaks. • Cleanup of trash and discarded material will be done at the end of the work day. • Cleanup will consist of monitoring the road, location and any other work areas. • Material to be cleaned up includes trash, scrap, and contaminated soil.
3	Drilling/Completion Operations	<p>Alternative Logging Program: One of the first wells drilled on the pad will be logged Operations with Open Hole Resistivity Log and Gamma Ray Log from the kick-off point to into the surface casing. 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 openhole logs shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which openhole logs were run.</p>

Total: 3 comment(s)

Attachment List

Att Doc Num	Name
403400623	FORM 2 SUBMITTED
403412586	DEVIATED DRILLING PLAN
403412588	WELL LOCATION PLAT
403412589	DIRECTIONAL DATA
403415772	OffsetWellEvaluations Data
403552097	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	09/27/2023
Engineer	<ul style="list-style-type: none"> •Surface Casing Check complete •Offset well review complete 408.t - No wells 408.u - No wells •Engineering review complete 	09/25/2023
OGLA	IN PROCESS: This Location and its associated Form 2A materials were fully evaluated during the review of this APD in accordance with current Rules. See Sundry doc # 403514926 in Location # 438566 file for additional information. This APD complies with all ECMC Rules and Staff concludes that any potential direct adverse impacts to public health, safety, welfare, the environment, and wildlife resources will be minimized and mitigated by the successful implementation of the proposed BMPs for Location # 438566. OGLA task passed.	09/12/2023
OGLA	ON HOLD: This APD is being put ON HOLD pending a consultation with CPW.	08/10/2023
Permit	Received confirmation from the operator to add the following: <ol style="list-style-type: none"> 1. The Refile COA for built location 2. Updating the spacing order number 3. Updating the distance to the closet unit boundary 4. Adding a COA to log two wells with open hole logs 5. Deleting the drilling beyond the setback comment since it's not needed -Passed Permit Review	08/07/2023
Permit	Requesting the following from the operator: <ol style="list-style-type: none"> 1.Adding the refile comment for built locations 2.Updating the spacing order number to the most current one 3.Confirming the closet distance to the unit boundary 	08/01/2023

Total: 6 comment(s)