

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:

403392094

Date Received:

09/26/2023

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: LG Everist

Well Number: 06

Name of Operator: PETRO OPERATING COMPANY LLC

COGCC Operator Number: 10583

Address: 9033 E EASTER PLACE SUITE 112

City: CENTENNIAL

State: CO

Zip: 80112-2105

Contact Name: Alex Corey

Phone: (713)408-7174

Fax: ()

Email: alex.corey@iptenergyservices.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): 20150075

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: NWNW Sec: 30 Twp: 2N Rng: 66W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 1079 Feet FNL 1127 Feet FWL

Latitude: 40.113400

Longitude: -104.826000

GPS Data:

GPS Quality Value: 1.4

Type of GPS Quality Value: PDOP

Date of Measurement: 04/24/2023

Ground Elevation: 4875

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: 30 Twp: 2N Rng: 66W

Footage at TPZ: 460 FSL 946 FWL

Measured Depth of TPZ: 9111

True Vertical Depth of TPZ: 7302

FNL/FSL

FEL/FWL

Base of Productive Zone (BPZ)

Sec: 19 Twp: 2N Rng: 66W Footage at BPZ: 464 FNL 1000 FWL
Measured Depth of BPZ: 18779 True Vertical Depth of BPZ: 7242 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 19 Twp: 2N Rng: 66W Footage at BHL: 464 FNL 1000 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELD Municipality: Fort Lupton

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: 01/07/2020

Comments: The Fort Lupton permit is conditionally approved as per 1/7/2020 meeting. Final approval will be given once the Form 2A and Form 2 has been submitted.

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.)

T2N R66W: S19 W/2; S30 W/2

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: 845 Feet

Building Unit: 1457 Feet

Public Road: 1068 Feet

Above Ground Utility: 255 Feet

Railroad: 4901 Feet

Property Line: 187 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	407-3479	640	T2N R66W: S19 W/2; S30 W/2

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: 460 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: 736 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: 18779 Feet

TVD at Proposed Total Measured Depth 7242 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: 79 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? No

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	Line	42	0	80	56	80	0
SURF	13+1/2	9+5/8	J55	36	0	1810	540	1810	0
1ST	8+1/2	5+1/2	P110	20	0	18779	2764	18779	

☐ 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 Shale	0	0	935	935			
Groundwater	Laramie/Fox Hills	935	935	995	995	501-1000	USGS	
Confining Layer	Pierre Shale	995	995	1500	1480			
Groundwater	Upper Pierre	1500	1480	1760	1710	1001-10000	Other	ECMC Report 2141
Confining Layer	Pierre Shale	1760	1710	4720	4075			
Confining Layer	Parkman	4720	4075	5500	4560			
Hydrocarbon	Sussex	5500	4560	6215	5075			
Hydrocarbon	Shannon	6215	5075	8990	7100			Non-productive horizon.
Confining Layer	Sharon Springs	8990	7100	9090	7220			
Hydrocarbon	Niobrara	9090	7220	10000	7450			

OPERATOR COMMENTS AND SUBMITTAL

Comments

All wellbores are measured in 3D and are greater than 150' from another well.

This application is in a Comprehensive Area Plan _____ CAP #: _____

Oil and Gas Development Plan Name LG Everist 2N66W30 OGDID #: 482696

Location ID: 484897

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

Signed: _____

Print Name: Jessica Donahue

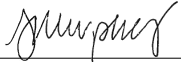
Title: Compliance Specialist

Date: 9/26/2023

Email: jdonahue@ardorenvironmental.

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: 10/12/2023

Expiration Date: 07/11/2026

API NUMBER

05 123 52229 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	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	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 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 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 (option 4). Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") 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. Operator will actively monitor casing (surface and production) pressures during the entire stimulation treatment of this pad. If there is indication of communication between the stimulation treatment and an offset well, treatment will be stopped and COGCC Engineering notified. 123-47722 CASTLE PINES #19-4HZ
Drilling/Completion Operations	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. 123-24023 DI TA #1-A 123-10282 COUNTER #1-AD
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 and from 500' below Sussex to 500' above Sussex. Verify coverage with a cement bond log. 3) Oil based drilling fluid can only be used after all groundwater has been isolated.
5 COAs	

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Alternative Logging Program: One of the first wells drilled on the pad will be logged 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 open-hole 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 open-hole logs were run."

Total: 1 comment(s)

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
2115092	WELL LOCATION PLAT
403392094	FORM 2 SUBMITTED
403535176	OffsetWellEvaluations Data
403540779	DIRECTIONAL DATA
403542519	DEVIATED DRILLING PLAN
403542567	OIL & GAS LEASE
403558830	OFFSET WELL EVALUATION

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	With operators concurrence Corrected Spacing Order number, distance to nearest completed zone, the OH logging BMP, added the corrected Well Location Plat and the COA for OH logging. Final Review Completed.	10/10/2023
Permit	Emailed operator requesting: Corrected Spacing Order number, distance to nearest completed zone, the correct OH logging BMP, a corrected Well Location Plat and the addition of COA for OH logging.	10/06/2023
Engineer	Emailed operator regarding potential flow and confining formation table. Updated form as per email.	10/05/2023
OGLA	The Commission approved OGDG #482696 on July 12, 2023 for the Oil and Gas Location related to this Form 2. OGLA task passed.	09/27/2023

Total: 4 comment(s)