

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:

403532477

Date Received:

10/04/2023

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: LABRISA Well Number: 35-9HZ
Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP COGCC Operator Number: 47120
Address: P O BOX 173779
City: DENVER State: CO Zip: 80217-3779
Contact Name: Loryn Spady Phone: (720)929-3504 Fax: ()
Email: Loryn_Spady@oxy.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): 20010124

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: NESW Sec: 35 Twp: 2N Rng: 65W Meridian: 6

Footage at Surface: 1386 Feet FSL 2064 Feet FWL

Latitude: 40.091302 Longitude: -104.633017

GPS Data: GPS Quality Value: 1.2 Type of GPS Quality Value: PDOP Date of Measurement: 07/25/2022

Ground Elevation: 4970

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: 2 Twp: 1N Rng: 65W Footage at TPZ: 85 FNL 811 FEL
Measured Depth of TPZ: 7993 True Vertical Depth of TPZ: 7094 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 11 Twp: 1N Rng: 65W Footage at BPZ: 85 FSL 824 FEL
Measured Depth of BPZ: 18302 True Vertical Depth of BPZ: 7099 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 11 Twp: 1N Rng: 65W Footage at BHL: 85 FSL 824 FEL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELD 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.? Yes

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: 02/02/2023

Comments: WOGLA #: 1041WOGLA22-0036

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 1 North, Range 65 West, 6th P. M.
Section 2: SE
Weld County, Colorado

Total Acres in Described Lease: 160 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian
Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1190 Feet
Building Unit: 2331 Feet
Public Road: 2510 Feet
Above Ground Utility: 2011 Feet
Railroad: 3046 Feet
Property Line: 578 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 | 407-3510 | 1280 | T1N-65W: SEC 2: ALL; SEC 11: 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: 85 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: 431 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: 18302 Feet

TVD at Proposed Total Measured Depth 7099 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: 388 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? Yes

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 | ASTM A53 B | 36.94 | 0 | 80 | 64 | 80 | 0 |
| SURF | 13+1/2 | 9+5/8 | L80 | 36 | 0 | 2084 | 800 | 2084 | 0 |
| 1ST | 7+7/8 | 5+1/2 | HCP110 | 17 | 0 | 18292 | 2060 | 18292 | |

☐ 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 | Fox Hills and Shallower | 17 | 17 | 982 | 977 | 501-1000 | USGS | |
| Confining Layer | Pierre Shale | 983 | 978 | 1189 | 1179 | | | |
| Groundwater | Upper Pierre Aquifer | 1190 | 1180 | 2002 | 1942 | 1001-10000 | Electric Log Calculation | Controlled by water samples |
| Confining Layer | Pierre Shale | 2003 | 1943 | 4644 | 4378 | | | |
| Hydrocarbon | Sussex | 4645 | 4379 | 4948 | 4658 | | | Non-productive |
| Confining Layer | Pierre Shale | 4949 | 4659 | 7463 | 6920 | | | |
| Hydrocarbon | Niobrara | 7465 | 6921 | 0 | 0 | | | |

OPERATOR COMMENTS AND SUBMITTAL

Comments

PLEASE ENSURE ALL CORRESPONDENCE ASSOCIATED WITH THIS PERMIT GOES TO ANALYST AND DJREGULATORY EMAIL ADDRESSES, AS LISTED ON THIS PERMIT.

Offset well buffer description for the subject well has been included on this permit for review as an attachment labeled "Other."

Base of Productive Zone is the same as Bottom Hole Location.

The nearest offset wellbore permitted or completed in the same formation is: Labrisa 35-8HZ, DOC ID#: 403532467.


This application is in a Comprehensive Area Plan No CAP #: _____
Oil and Gas Development Plan Name Labrisa OGD OGD ID#: 484830
Location ID: 485208

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

Signed: _____ Print Name: Loryn Spady
Title: Regulatory Analyst Date: 10/4/2023 Email: DJREGULATORY@OXY.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: 10/24/2023
Expiration Date: 09/26/2026

API NUMBER

05 123 52244 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>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 ECMC 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 ECMC 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 acknowledges the proximity of the listed 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.</p> <p>123-36246 SPARBOE #2N-26HZ 123-42411 ZELDA #25-3HZ 123-42412 ZELDA #25-2HZ</p> |
| Drilling/Completion Operations | <p>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.</p> <p>123-12564 MCGILL #1 123-12205 RUEBEL #2-3 123-14441 HUDSON #1-11 123-20958 HUDSON #11-35A</p> |
| Drilling/Completion Operations | <p>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.</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> <p>3) Oil based drilling fluid can only be used after all groundwater has been isolated.</p> |
| Drilling/Completion Operations | <p>Operator will log two (2) wells 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 directional 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 | Kerr-McGee acknowledges and will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. |
| 2 | Drilling/Completion Operations | Anti-Collision: Kerr-McGee will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within one hundred fifty (150) feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators within one hundred fifty (150) feet prior to drilling. |
| 3 | 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 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 state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify the type of log and the well (by API#) in which open-hole logs were run. |

Total: 3 comment(s)

Attachment List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|------------------------|
| 403532477 | FORM 2 SUBMITTED |
| 403532479 | OTHER |
| 403532480 | DIRECTIONAL DATA |
| 403532481 | DEVIATED DRILLING PLAN |
| 403532482 | WELL LOCATION PLAT |
| 403571436 | OFFSET WELL EVALUATION |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|---------------------|
| Permit | Final Review Completed. | 10/24/2023 |
| Permit | Permitting review complete. | 10/18/2023 |
| OGLA | The Commission approved OGDG #484830 on September 27, 2023 for the Oil and Gas Location related to this Form 2. OGLA task passed. | 10/04/2023 |

Total: 3 comment(s)