

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:

403250553

(SUBMITTED)

Date Received:

01/04/2024

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: RNPU B27 FED Well Number: 21A-27-197  
Name of Operator: CAERUS PICEANCE LLC COGCC Operator Number: 10456  
Address: 1001 17TH STREET #1600  
City: DENVER State: CO Zip: 80202  
Contact Name: Reed Haddock Phone: (720)880-6369 Fax: (303)565-4606  
Email: rhaddock@caerusoilandgas.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): 20190097

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: Lot 3 Sec: 27 Twp: 1S Rng: 97W Meridian: 6

Footage at Surface: 583 Feet FNL 2442 Feet FWL

Latitude: 39.941035 Longitude: -108.269171

GPS Data: GPS Quality Value: 1.7 Type of GPS Quality Value: PDOP Date of Measurement: 09/12/2022

Ground Elevation: 6522

Field Name: WILDCAT Field Number: 99999

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: 27 Twp: 1S Rng: 97W Footage at TPZ: 88 FNL 1294 FEL  
Measured Depth of TPZ: 7781 True Vertical Depth of TPZ: 7536 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 27 Twp: 1S Rng: 97W Footage at BPZ: 170 FNL 1352 FEL  
Measured Depth of BPZ: 13500 True Vertical Depth of BPZ: 13255 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 27 Twp: 1S Rng: 97W Footage at BHL: 170 FNL 1352 FEL  
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: RIO BLANCO 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 [X] 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: Date of Final Disposition:

Comments: Caerus Piceance LLC contacted Rio Blanco County and they have no siting regulations. Rio Blanco County has waived its right to precede the COGCC in siting determination. Contact Edward Smercina, Rio Blanco LGD and NRS at 970-878-9586 for questions.

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 [X] Federal [ ] Indian

Mineral Owner beneath this Well's Oil and Gas Location: [ ] Fee [ ] State [X] 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
- [X] 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.)

Sec. 27-T1S-97W - Lots 1, 2, 8.

Total Acres in Described Lease: 126 Described Mineral Lease is:  Fee  State  Federal  Indian  
 Federal or State Lease # COC062563

**SAFETY SETBACK INFORMATION**

Distance from Well to nearest:

- Building: 5280 Feet
- Building Unit: 5280 Feet
- Public Road: 3707 Feet
- Above Ground Utility: 4973 Feet
- Railroad: 5280 Feet
- Property Line: 3767 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.)
ILES	ILES	1-229		
WILLIAMS FORK	WMFK	1-229		

Federal or State Unit Name (if appl): Rev N Parachute

Unit Number: COC077039X

### 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: 1153 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: 264 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: 13523 Feet

TVD at Proposed Total Measured Depth 13278 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 H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No If yes, attach an H<sub>2</sub>S 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? No

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	30	20	A252	54#	0	100	218	100	0
SURF	14+3/4	9+5/8	J55	36#	0	3000	1011	3000	900
1ST	8+3/4	4+1/2	HCP110	13.5#	0	13523	1605	13523	5000
		9+5/8		Stage Tool	0	900	304	900	0

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	Unitah	0	0	2600	2535	501-1000	CGS	
Confining Layer	Wasatch	2672	2604	5732	5551			
Hydrocarbon	Wasatch G	5732	5551	6228	6028			The Wasatch G is a nonproductive zone in the referenced area of basin.
Confining Layer	Fort Union	6228	6028	7781	7536			
Hydrocarbon	Ohio Creek	7781	7536	8531	8286	>10000	Produced Water Sample	
Hydrocarbon	Williams Fork	8531	8286	11478	11233	>10000	Produced Water Sample	
Hydrocarbon	Cameo	11478	11233	12028	11783	>10000	Produced Water Sample	
Hydrocarbon	Rollins	12028	11783	12123	11878	>10000	Produced Water Sample	The Rollins is a non-productive zone in the referenced area of basin.
Hydrocarbon	Cozzette	12123	11878	12723	12478	>10000	Produced Water Sample	
Hydrocarbon	Corcoran	12723	12478	13523	13278	>10000	Produced Water Sample	

## OPERATOR COMMENTS AND SUBMITTAL

Comments Mineral Lease COC062563 is located in the Piceance Creek Unit and is not committed to the Unit. Therefore, there is no issue with the lease also being in the Revised North Parachute Unit. The Piceance Creek Unit is very old with some unusual terms and doesn't have an automatic contraction provision. Setbacks from lease lines are vacated when the leases are committed to Federal Units. The two federal leases (COC 061715 - Tract 16 in Section 22 and COC 062563 - Tract 18 in Section 27) are fully committed to the Revised North Piceance Unit COC 77039X. The 100' North/South and 600' East/West setbacks apply to unit line boundaries, not lease lines in this case. Federal Financial Assurance amount is unavailable, pending Federal ROW approval. Caerus will be providing a reclamation bond to the BLM upon permit approval, and will be providing ECMC an Interim Reclamation Bond per COA on Doc 403206163.

This application is in a Comprehensive Area Plan \_\_\_\_\_ CAP #: \_\_\_\_\_  
 Oil and Gas Development Plan Name RNPU PHASE 1 OGD ID#: 485279  
 Location ID: 485795

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

Signed: \_\_\_\_\_ Print Name: Reed Haddock

Title: Regulatory Lead Date: 1/4/2024 Email: rhaddock@caerusoilandgas.co

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: \_\_\_\_\_  
 Expiration Date: \_\_\_\_\_

<b>API NUMBER</b>
05

### 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>
0 COA	

### Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Alternative Logging Program: The first well drilled on the pad will be logged with openhole resistivity log with gamma-ray log from TD 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 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.
2	Drilling/Completion Operations	Closed loop system will be used. DRILL CUTTINGS: The moisture content of all drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. All cuttings generated during drilling will be placed in a bermed portion of the well pad prior to onsite beneficial reuse. Drill cuttings will be put through shakers to minimize moisture and analyzed for Table 915-1 constituents. Cuttings that meet 915-1 levels will be backfilled into the cuttings management area along the northwestern portion of the pad. CONTAINMENT: During drilling activities, Caerus utilizes a portable containment liner under the substructure of the drilling rig during drilling activities to protect shallow groundwater from any potential spills surrounding the rig during drilling. A liquid release would simply be vacuumed up from the liner. When drilling activity is completed, the liner is removed and transferred to the next drilling location. For permanent containment at the oil and gas location Caerus will ensure 150% secondary containment of volume in the single largest tank on the oil and gas location in compliance with Rule 603.o. During completions, Caerus may utilize 15-20 temporary tanks to hold frac fluid and flowback water. Tanks would be housed in a compacted earthen bermed area and secondary containment.

Total: 2 comment(s)

### Attachment List

<u>Att Doc Num</u>	<u>Name</u>
403250571	DEVIATED DRILLING PLAN
403250573	DIRECTIONAL DATA

403250583	OIL & GAS LEASE
403250584	WELL LOCATION PLAT
403251743	OffsetWellEvaluations Data
403644006	OffsetWellEvaluations Data

Total Attach: 6 Files

**General Comments**

<b>User Group</b>	<b>Comment</b>	<b>Comment Date</b>
		Stamp Upon Approval

Total: 0 comment(s)

