



Base of Productive Zone (BPZ)

Sec: 7 Twp: 2S Rng: 97W Footage at BPZ: 372 FNL 1844 FWL  
 Measured Depth of BPZ: 12705 True Vertical Depth of BPZ: 12156 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 7 Twp: 2S Rng: 97W Footage at BHL: 372 FNL 1844 FWL  
 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  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: 07/07/2023

Comments:

**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.)

Total Acres in Described Lease: 634 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COC57285

**SAFETY SETBACK INFORMATION**

Distance from Well to nearest:

Building: 5280 Feet  
Building Unit: 5280 Feet  
Public Road: 225 Feet  
Above Ground Utility: 720 Feet  
Railroad: 5280 Feet  
Property Line: 1156 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.)
WILLIAMS FORK	WMFK	1-229		

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: 372 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: 356 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: 12705 Feet

TVD at Proposed Total Measured Depth 12156 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? 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	30	20	X65	78.67	0	80	230	80	0
SURF	17+1/2	13+3/8	J55	54.5	0	1256	411	1256	0
1ST	12+1/4	9+5/8	J55	38.6	0	3179	160	3179	2137
2ND	8+3/4	4+1/2	P110	11.6	0	12705	993	12705	7162

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	UINTA	30	30	704	700	501-1000	Produced Water Sample	
Groundwater	GREEN RIVER	704	700	858	850	501-1000	Produced Water Sample	
Subsurface Hazard	A GROOVE	858	850	1067	1050			
Subsurface Hazard	B GROOVE	1067	1050	1389	1350			
Subsurface Hazard	DISSOLUTION SURFACE	1389	1350	2366	2250			POSSIBLE LOSS ZONE
Confining Layer	GARDEN GULCH	2366	2250	2550	2420			
Confining Layer	ORANGE MARKER	2550	2420	2637	2500			
Confining Layer	UPPER WASATCH	2637	2500	5468	5110			
Hydrocarbon	TOP OF G SAND	5468	5110	5750	5370			POSSIBLE LOSS ZONE
Hydrocarbon	FORT UNION	5750	5370	6607	6160			
Confining Layer	LOWER WASATCH	6607	6160	7362	6856			
Hydrocarbon	OHIO CREEK	7362	6856	8120	7576			POSSIBLE LOSS ZONE
Hydrocarbon	UPPER MESAVERDE	8120	7576	8925	8376			
Hydrocarbon	TOP GAS	8925	8376	10495	9946			
Hydrocarbon	CAMEO COALS	10495	9946	11225	10676			
Hydrocarbon	ROLLINS	11225	10676	11375	10826			
Hydrocarbon	COZZETTE	11375	10826	11700	11151			
Hydrocarbon	CORCORAN	11700	11151	11960	11411			
Hydrocarbon	UPPER SEGO	11960	11411	12205	11656			
Hydrocarbon	LOWER SEGO	12205	11656	12705	12156			

## OPERATOR COMMENTS AND SUBMITTAL

Comments: Nearest offset well producing from the same lease and permitted or completed in the same formation: Federal RGU 21-7-297 (Doc# 403561213).

OGDP application (Docket# 221200375) was approved on 08/23/2023, Form 2A (Doc# 402525732) approved on 09/11/2023.

This application is in a Comprehensive Area Plan       No       CAP #:                       
 Oil and Gas Development Plan Name       Ryan Gulch Phase 3       OGDP ID#:       484436        
 Location ID:       335640

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

Signed: \_\_\_\_\_ Print Name: Melissa Luke

Title: Regulatory Specialist Date: 12/20/2023 Email: mluke@terraep.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: 3/29/2024

Expiration Date: 08/22/2026

**API NUMBER**

05 103 12672 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) Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. See attached notice.  2) Operator shall provide cement coverage from the production casing shoe (4+1/2" SECOND STRING) to a minimum of 200' above all Mesa Verde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify production casing cement coverage with cement bond log.
Planning	Pursuant to Rule 702.b.(2), the approval of this Application for Permit to Drill constitutes a "change in circumstance" to the approved Financial Assurance Plan. The Operator must file a revised Form 3, Financial Assurance Plan, within 10 days of this approval.
Construction	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016).
Drilling/Completion Operations	Operator will log two (2) additional wells during the second rig occupation with open-hole resistivity log with gamma-ray log from the kick-off point into the surface casing for the stratigraphically deepest wells for a total of three wells logged.
Interim Reclamation	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
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 this pad will be logged with an open-hole resistivity log with gamma-ray, from TD into the surface casing. All wells on the pad will have a cement bond log (CBL) 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" and will clearly identify the type of log and the well (by API#) in which open-hole logs were run.

Total: 1 comment(s)

## Attachment List

<u>Att Doc Num</u>	<u>Name</u>
403561359	FORM 2 SUBMITTED
403631192	OffsetWellEvaluations Data
403631195	DIRECTIONAL DATA
403631197	DEVIATED DRILLING PLAN
403631198	WELL LOCATION PLAT
403631200	LEASE MAP
403728018	OffsetWellEvaluations Data
403736185	OFFSET WELL EVALUATION

Total Attach: 8 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	03/22/2024
Engineer	Offset water well check: There are no permitted domestic water wells within one mile of this proposed surface hole location.  Emailed Operator for updated offset well review to include wells not listed  Selected No for drop down menus for "Amend, Refile and Sidetrack"  Changed casing setting depth from TVD to MD per attached documents and value reported as cement bottom	03/21/2024
Permit	Added "Total acres described in lease" per operator Added Federal Financial Assurance amount per operator Passed Permitting review	01/09/2024
OGLA	The Commission approved OGDG #484436 on August 23, 2023 for the Oil and Gas Location related to this Form 2. OGLA task passed.	12/20/2023

Total: 4 comment(s)