

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:

403686717

Date Received:

03/06/2024

APPLICATION FOR PERMIT TO

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

Amend ☐

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER: Injection Well

Refill ☐

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Sidetrack ☐

Well Name: Federal RG

Well Number: 943-24-299D

Name of Operator: TEP ROCKY MOUNTAIN LLC

ECMC Operator Number: 96850

Address: 1058 COUNTY ROAD 215

City: PARACHUTE

State: CO

Zip: 81635

Contact Name: MELISSA LUKE

Phone: (970)263-2721

Fax: ( )

Email: MLUKE@TERRAEP.COM

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

ECMC Financial Assurance

☐ The Operator has provided or will provide Financial Assurance to the ECMC for this Well.

Surety ID Number (if applicable):

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 \$ 655000

WELL LOCATION INFORMATION

Surface Location

QtrQtr: SENW Sec: 24 Twp: 2S Rng: 99W Meridian: 6

Footage at Surface: 2303 Feet FNL/FSL 2297 Feet FEL/FWL

Latitude: 39.862678 Longitude: -108.454175

GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP

Date of Measurement: 08/24/2022

Ground Elevation: 7090

Field Name: SULPHUR CREEK

Field Number: 80090

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: 24 Twp: 2S Rng: 99W

Footage at TPZ: 1347 FSL 1318 FEL

Measured Depth of TPZ: 5722

True Vertical Depth of TPZ: 5100 FNL/FSL FEL/FWL

**Base of Productive Zone (BPZ)**Sec: 24 Twp: 2S Rng: 99WFootage at BPZ: 1347 FSL 1318 FELMeasured Depth of BPZ: 9773True Vertical Depth of BPZ: 9150 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 24 Twp: 2S Rng: 99WFootage at BHL: 1347 FSL 1318 FELFNL/FSLFEL/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: 03/11/2024Comments: The Rio Blanco County Special Use/Building Permit SUBP-0002-24 was approved on 3/11/2024.**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.)

PLEASE SEE ATTACHED LEASE MAP

No mineral estate will be developed by this proposed injection well.

Total Acres in Described Lease: 1280

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

Federal or State Lease # COC064201

## SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

Public Road: 479 Feet

Above Ground Utility: 2039 Feet

Railroad: 5280 Feet

Property Line: 3029 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			
WILLIAMS FORK	WMFK			

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? No

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary: \_\_\_\_\_ 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: \_\_\_\_\_ Feet

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: 1318 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: 2985 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: 9773 Feet

TVD at Proposed Total Measured Depth 9150 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: \_\_\_\_\_

<u>Casing Type</u>	<u>Size of Hole</u>	<u>Size of Casing</u>	<u>Grade</u>	<u>Wt/Ft</u>	<u>Csg/Liner Top</u>	<u>Setting Depth</u>	<u>Sacks Cmt</u>	<u>Cmt Btm</u>	<u>Cmt Top</u>
CONDUCTOR	30	20	X65	78.67	0	80	230	80	0
SURF	17+1/2	13+3/8	J55	54.5	0	1300	436	1300	0
1ST	12+1/4	9+5/8	J55	36.0	0	2900	154	2900	2265
2ND	8+3/4	5+1/2	HCP110	17.0	0	9150	861	9150	3977

## POTENTIAL FLOW AND CONFINING FORMATIONS

<u>Zone Type</u>	<u>Formation /Hazard</u>	<u>Top M.D.</u>	<u>Top T.V.D.</u>	<u>Bottom M.D.</u>	<u>Bottom T.V.D.</u>	<u>TDS (mg/L)</u>	<u>Data Source</u>	<u>Comment</u>
Groundwater	UINTA	0	0	858	850	1001-10000	Other	Nearby depth to water and TDS data sources
Groundwater	GRRV	858	850	962	950	1001-10000	Other	Nearby depth to water and TDS data sources
Subsurface Hazard	GRRV A GROOVE	962	950	1120	1100			POTENTIAL LOSS ZONE
Subsurface Hazard	GRRV B GROOVE	1120	1100	1447	1400			POTENTIAL LOSS ZONE
Subsurface Hazard	GRRV DISSOLUTION SURFACE	1447	1400	2038	1900			POTENTIAL LOSS ZONE
Confining Layer	GARDEN GULCH	2038	1900	2652	2400			
Confining Layer	UPPER WASATCH	2652	2400	4177	3650			
Subsurface Hazard	G SAND	4177	3650	4573	4000			POTENTIAL LOSS ZONE
Hydrocarbon	FORT UNION	4573	4000	5722	5100			
Hydrocarbon	OHIO CREEK	5722	5100	6788	6165			
Hydrocarbon	TOP GAS	6650	7273	8773	8150			
Hydrocarbon	UPPER MESAVERDE	6788	6165	7273	6650			
Hydrocarbon	ROLLINS	8773	8150	9373	8750			
Hydrocarbon	SEGO	9373	8750	9773	9150			

Comments	Nearest permitted or completed well in same formation: Federal RG 921-24-299 (Doc# 403685243). OGD Application (Docket #230300080) and Form 2A (Doc# 403320102) approved on 02/16/2024.
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I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Title: REGULATORY SPECIALIST                      Date: 3/6/2024                      Email: MLUKE@TERRAEP.COM

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Based on the information provided herein, this Application for Permit-to-Drill complies with ECMC Rules, applicable orders, and SB 19-181 and is hereby approved.

ECMC Approved: \_\_\_\_\_

Director of ECMC

Date: 5/8/2024

Expiration Date: 02/06/2027

**API NUMBER**

05 103 12675 00

**CONDITIONS OF APPROVAL, IF ANY LIST**

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.

**COA Type**

**Description**

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 one (1) additional 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 stratigraphically deepest wells for a total of two wells logged.
Interim Reclamation	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
Drilling/Completion Operations	Rule 803.h.(2): Operator shall run openhole resistivity and neutron/density Logs from the bottom of the surface casing to total depth of the Well
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.
6 COAs	

**Best Management Practices**

**No BMP/COA Type**

**Description**

1	Drilling/Completion Operations	Logging Program: The Well will be logged with open-hole resistivity, neutron/density, and gamma-ray Logs from TD into the surface casing. A cement bond Log will be run on production casing/liner and on intermediate casing if production liner is run.
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Total: 1 comment(s)

**ATTACHMENT LIST**

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
2473388	LEASE MAP
403686717	FORM 2 SUBMITTED
403686792	DIRECTIONAL DATA
403686793	DEVIATED DRILLING PLAN
403686794	WELL LOCATION PLAT
403693351	OffsetWellEvaluations Data

Total Attach: 6 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Final Review Completed.	04/11/2024
UIC	Emailed operator regarding BMP. Operator response. Feedback received, "It appears that there is a COA in the DRAFT Form 2 that directs the logging requirements: For consistency the Logging BMP can state the same." Updated BMP as per email.	04/10/2024
Permit	Requested and attached lease map Passed Permitting review Modified logging COA to state "first rig occupation"	04/09/2024
Engineer	Offset water well check: There are no permitted water wells within one mile of this proposed surface hole location.  Offset Well Evaluation: There are no existing offset oil and gas wells within 1,500 feet of this wellbore.  APD for disposal well	04/04/2024
OGLA	The Commission approved OGDG #485406 on February 7, 2024 for the Oil and Gas Location related to this Form 2. OGLA task passed.	03/06/2024

Total: 5 comment(s)