

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:

403685243

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 WellRefile ☐ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒Sidetrack ☐

Well Name: Federal RG

Well Number: 921-24-299D

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: 2290 Feet FNL/FSL 2305 Feet FEL/FWL
 FNL FWL

Latitude: 39.862712 Longitude: -108.454147

GPS Data: GPS Quality Value: 1.6 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: 1312 FNL 2642 FWL

Measured Depth of TPZ: 5204

True Vertical Depth of TPZ: 5100

FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 24 Twp: 2S Rng: 99WFootage at BPZ: 1312 FNL 2642 FWLMeasured Depth of BPZ: 9246True Vertical Depth of BPZ: 9140 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 24 Twp: 2S Rng: 99WFootage at BHL: 1312 FNL 2642 FWLFNL/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: 481 Feet

Above Ground Utility: 2024 Feet

Railroad: 5280 Feet

Property Line: 3041 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: 1312 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: 9246 Feet

TVD at Proposed Total Measured Depth 9140 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 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? 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	430	1300	0
1ST	12+1/4	9+5/8	J55	36.0	0	2900	154	2900	1955
2ND	8+3/4	5+1/2	HCP110	17.0	0	9140	850	9140	3523

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	960	950	1001-10000	Other	Nearby depth to water and TDS data sources
Subsurface Hazard	GRRV A GROOVE	960	950	1113	1100			POSSIBLE LOSS ZONE
Subsurface Hazard	GRRV B GROOVE	1113	1100	1420	1400			POSSIBLE LOSS ZONE
Subsurface Hazard	GRRV DISSOLUTION SURFACE	1420	1400	1932	1900			POSSIBLE LOSS ZONE
Confining Layer	GARDEN GULCH	1932	1900	2444	2400			
Confining Layer	UPPER WASATCH	2444	2400	3723	3650			
Subsurface Hazard	G SAND	3723	3650	4081	4000			POSSIBLE LOSS ZONE
Confining Layer	FORT UNION	4081	4000	5204	5100			
Hydrocarbon	OHIO CREEK	5204	5100	6271	6165			
Hydrocarbon	UPPER MESAVERDE	6271	6165	6756	6650			
Hydrocarbon	TOP GAS	6756	6650	8246	8140			
Hydrocarbon	ROLLINS	8246	8140	8846	8740			
Hydrocarbon	SEGO	8846	8740	9246	9140			

Comments	Nearest permitted or completed well in same formation: Federal RG 943-24-299 (Doc# 403686717). 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

Page 5 of 7

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 12674 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

<u>Att Doc Num</u>	<u>Name</u>
2473387	LEASE MAP
403685243	FORM 2 SUBMITTED
403686712	WELL LOCATION PLAT
403686714	DIRECTIONAL DATA
403686715	DEVIATED DRILLING PLAN
403693350	OffsetWellEvaluations Data

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
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)