

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:

403831354

(SUBMITTED)

Date Received:

06/27/2024

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: IPU 1291

Well Number: 13-24 H3

Name of Operator: GUNNISON ENERGY LLC

ECMC Operator Number: 10515

Address: 1801 BROADWAY #1150

City: DENVER

State: CO

Zip: 80202

Contact Name: Tyson Johnston

Phone: (303)296-8807

Fax: ()

Email: tyson.johnston@oxbow.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 \$ 1136

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENW Sec: 24 Twp: 12S Rng: 91W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 149 Feet FNL 2134 Feet FWL

Latitude: 39.006505

Longitude: -107.505092

GPS Data:

GPS Quality Value: 2.2

Type of GPS Quality Value: PDOP

Date of Measurement: 01/02/2024

Ground Elevation: 7809

Field Name: PICEANCE HORIZONTAL
NIOBRARA

Field Number: 68810

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: 13 Twp: 12S Rng: 91W

Footage at TPZ: 721 FSL 2076 FEL

Measured Depth of TPZ: 7960

True Vertical Depth of TPZ: 7453 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 11 Twp: 12S Rng: 91WFootage at BPZ: 2118 FSL 261 FELMeasured Depth of BPZ: 15479True Vertical Depth of BPZ: 7845 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 11 Twp: 12S Rng: 91WFootage at BHL: 2118 FSL 261 FEL

FNL/FSL

FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATIONCounty: DELTAMunicipality: 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: _____ Date of Final Disposition: _____

Comments: _____

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATIONSurface 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.)

Township 12 South, Range 91 West, 6th P.M.
Section 13: Lot 6, S/2SW/4, SW/4SE/4;
Section 24: Lots 1, 2, NE/4NW/4, NW/4NE/4, AND H.E.S. No. 132
Section 25: Lot 2, E/2NW/4, NE/4, N/2S/2
H.E.S. No. 161 lying in Sections 23 and 24
H.E.S. No. 133 lying in Sections 23, 24, 25, and 26
H.E.S. No. 134 lying in Sections 25, 26, 35, and 36

Total Acres in Described Lease: 1354

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

Federal or State Lease #

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 236 Feet
Building Unit: 4498 Feet
Public Road: 5280 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 1273 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-MANCOS	NBMN	586-1	5292	12S-90W Sec 18: All; Sec 19: All; Sec 30: All, 12S-91W Sec 11: All; Sec 12: All; Sec 13: All; Sec 14: All; Sec 24: All; Sec 25: All

Federal or State Unit Name (if appl): Iron Point Unit

Unit Number: COC074545X

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: 4281 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: 957 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: 15479 Feet

TVD at Proposed Total Measured Depth 7845 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? Yes

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	A53-B	52.78	0	120		120	0
SURF	18+1/2	13+3/8	J55	68	0	2730	728	2730	0
1ST	12+1/4	9+5/8	P110	40	0	5890	937	5890	0
2ND	8+3/4	5+1/2	P110	23	0	15477	2758	15477	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	Wasatch	70	70	786	786	501-1000	Other	Grand Mesa, Uncompahgre, and Gunnison National Forests Supplemental Forest Plan Assessment: Groundwater
Hydrocarbon	Williamsfork	786	786	3128	3128			
Hydrocarbon	Cameo Coals	3128	3128	3240	3240			
Confining Layer	Rollins	3240	3240	3398	3398			
Hydrocarbon	Cozzette	3870	3862	4010	3994			
Hydrocarbon	Corcoran	4010	3994	4077	4057			
Hydrocarbon	Mancos	4077	4057	7087	6890			
Hydrocarbon	Niobrara-Mancos	7087	6890	12479	7845			Btm MD=TD, Btm TVD=TVD @ BHL, since well is drilled with inclination > 86 deg

OPERATOR COMMENTS AND SUBMITTAL

Comments Form 2 Amendment is submitted to adjust proposed directional plan and bottomhole location for the well. The proposed changes moves the permitted bottomhole to a different quarter quarter from the original permit. As per ECMC Approved Form 2 Change Guidance - Rule 303.d: Sundry or New Form 2 (dated June 19, 2018), this requires a Form 2 Amendment.

The bottomhole change did not affect the offset wells inventory.

Offset Well Review: We provided a 3D distance for the offset wells since the majority of them are Mesaverde wells and much shallower than the horizontals being proposed.

This application is in a Comprehensive Area Plan No CAP #: _____
Oil and Gas Development Plan Name _____ OGDID ID#: _____
Location ID: 434522

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

Signed: _____ Print Name: Jessica Donahue

Title: Compliance Specialist Date: 6/27/2024 Email: jdonahue@ardorenvironmental.

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: _____
Expiration Date: _____

API NUMBER

05 029 06118 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

0 COA	

Best Management Practices

No BMP/COA Type

Description

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ATTACHMENT LIST

Att Doc Num

Name

403833825	OffsetWellEvaluations Data
403833886	DIRECTIONAL DATA
403833906	WELL LOCATION PLAT
403834071	DEVIATED DRILLING PLAN

Total Attach: 4 Files

General Comments

User Group

Comment

Comment Date

		Stamp Upon Approval
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Total: 0 comment(s)