

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:

403846120

Date Received:

08/05/2024

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: Ruby 6-65 22-27

Well Number: 3HN

Name of Operator: GMT EXPLORATION COMPANY LLC

ECMC Operator Number: 10243

Address: 4949 S NIAGARA ST SUITE 250

City: DENVER

State: CO

Zip: 80237

Contact Name: Maxwell Blair

Phone: (303)586-9291

Fax: (720)946-3028

Email: mblair@gmtexploration.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): 20070102

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: NESE Sec: 22 Twp: 6S Rng: 65W Meridian: 6

Footage at Surface: 1842 Feet FNL/FSL FSL 878 Feet FEL/FWL FEL

Latitude: 39.511963

Longitude: -104.645897

GPS Data:

GPS Quality Value: 1.2

Type of GPS Quality Value: PDOP

Date of Measurement: 04/25/2019

Ground Elevation: 6179

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: 22 Twp: 6S Rng: 65W

Footage at TPZ: 2058 FSL 1505 FWL

Measured Depth of TPZ: 9231

True Vertical Depth of TPZ: 8209 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 27 Twp: 6S Rng: 65W Footage at BPZ: 600 FSL 1502 FWL
Measured Depth of BPZ: 15977 True Vertical Depth of BPZ: 8209 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 27 Twp: 6S Rng: 65W Footage at BHL: 550 FSL 1502 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: ELBERT 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: Waived Date of Final Disposition: _____

Comments: Oil and Gas Pad sites require a building permit site plan, which is in development. Elbert County waived its right to precede.

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.)

N/2, SE/4, Section 22, T6S, R65W

Total Acres in Described Lease: 480

Described Mineral Lease is: ☒ Fee

☐ State

☐ Federal

☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 947 Feet

Building Unit: 2086 Feet

Public Road: 2567 Feet

Above Ground Utility: 1002 Feet

Railroad: 5280 Feet

Property Line: 809 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	NBRR	535-1186	960	T6S R65W Sec. 27: All; Sec. 22: S/2

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: 600 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: 457 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

Approved Order 535-1186

DRILLING PROGRAM

Proposed Total Measured Depth: 16027 Feet

TVD at Proposed Total Measured Depth 8209 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	24	16	N/A	42	0	80	100	80	0
SURF	12+1/2	9+5/8	J55LTC	36	0	2650	900	2650	0
1ST	8+1/2	5+1/2	HCP110	20	0	16027	2400	16027	

☐ 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	Dawson	46	46	507	507	0-500	Other	COGIS-Sample Site Inquiry
Groundwater	Denver	548	548	1462	1434	0-500	Other	COGIS-Sample Site Inquiry
Groundwater	Upper Arapahoe	1504	1473	1994	1910	0-500	Other	COGIS-Sample Site Inquiry
Groundwater	Laramie-Fox Hills	2320	2197	2768	2591	0-500	Other	COGIS-Sample Site Inquiry
Confining Layer	Pierre Shale	2768	2591	3642	3360			
Hydrocarbon	Sussex-Terry	3642	3360	3812	3510			Not Productive in Area
Hydrocarbon	Shannon-Hygiene	6199	5609	6505	5880			Not Productive in Area
Confining Layer	Lower Pierre Shale	6505	5880	8630	7919			
Confining Layer	Sharon Springs Shale	8630	7919	8642	7929			Sloughing Clay
Hydrocarbon	Niobrara	9231	8209	16027	8209			The TVD of the deepest hydrocarbon zone is the bottom of the well and not the bottom of the formation. The formation is not planned to be exited.

OPERATOR COMMENTS AND SUBMITTAL

Comments

Nearest wellbore in proposed unit is the Ruby 6-65 22-27 4HN per anti-collision.

There are no outside-operated wells within 1500'.

This well has a bottom-hole location beyond the unit boundary setback. The bottom of the completed interval will be within the unit boundary setback at 600' FSL and 1502' FWL of Section 27. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

The Crystal-Ruby is a built pad. This Form 2 is refiling the original APD. No information is changing. Please utilize original documents including well location certificate and directional survey.

This application is in a Comprehensive Area Plan No CAP #: _____

Oil and Gas Development Plan Name _____ OGDID ID#: _____

Location ID: 479191

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

Signed: _____ Print Name: Andrea Gross

Title: Permitting Agent Date: 8/5/2024 Email: agross@upstreampm.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 ECMC Rules, applicable orders, and SB 19-181 and is hereby approved.

ECMC Approved:  Director of ECMC Date: 4/7/2025

Expiration Date: 04/06/2028

API NUMBER

05 039 06745 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.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	Operator will log two (2) additional well(s) with open-hole resistivity log with gamma-ray log from the kick-off point into the surface casing for the stratigraphically deepest wells on the pad for a total of three (3) wells logged during the second rig occupation of this location
Drilling/Completion Operations	Operator will ensure the wellbore beyond the unit boundary setback is physically isolated and is not completed. In the Operator Comments on the Form 5A the operator will (1) report the footages from the section lines of the bottom of the completed interval (2) describe how the wellbore beyond the unit boundary setback is physically isolated and (3) certify that none of the wellbore beyond the setback was completed.
Interim Reclamation	In the event delayed operations are to occur, Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017)
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 2 business day spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Comply with Rule 408.j. and provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with a cement bond log.
Drilling/Completion Operations	Operator acknowledges the proximity of the listed non-operated wells: Operator agrees to: provide mitigation option 3 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of these wells. 039-06154 Albert Pearson #1
Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact COGCC engineering for approval prior to stimulation. 2) If a delayed completion, a second test is required between 6-9 months after rig release and must be conducted prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact COGCC engineering for approval prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
6 COAs	

Operator Best Management Practices

No	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Logging: The Crystal 6-65 22-10HN (API No. 05-039-06742) well drilled on the pad was logged with an open-hole Resistivity Log and Gamma Ray Log from the kickoff point 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 horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall clearly state "No open-hole logs were run. The Crystal 6-65 22-10HN (API No. 05-039-06742) is the well in which open-hole logs were run.

Total: 1 comment(s)

ATTACHMENT LIST

<u>Att Doc Num</u>	<u>Name</u>
403846120	FORM 2 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Complete.	04/07/2025
OGLA	This Location and its associated Form 2A materials was fully evaluated during the review of this APD in accordance with current Rules. See Sundry doc #404065821 in Location #479191 file for additional information. This APD complies with all Colorado ECMC Rules and Staff concludes that any potential direct adverse impacts to public health, safety, welfare, the environment, and wildlife resources will be minimized and mitigated by the successful implementation of the proposed BMPs for Location #479191. OGLA task passed.	04/03/2025
OGLA	OGLA Staff has requested the following additional information: CPW consultation regarding the HPH in the area. Mitigation and minimization measures that will be implemented on location.	11/20/2024
Permit	Received approval from the operator for the following changes: 1.Adding the refile COA for built locations 2.Adding the drilling beyond the setback COA 3.Adding the additional open hole logging COA 4.Adding the refile comment Passed Permit Review	10/14/2024
Permit	Requested the following from the operator: 1.Adding the refile COA for built locations 2.Adding the drilling beyond the setback COA 3.Adding the additional open hole logging COA 4.Adding the refile comment	10/14/2024

Total: 5 comment(s)