

FORM
2

Rev
10/24

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:

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(SUBMITTED)

Date Received:

10/22/2025

APPLICATION FOR PERMIT TO

Drill Deepen Re-enter Recomplete and Operate Amend

TYPE OF WELL OIL GAS COALBE GEOTHERMAL OTHER: _____

Refile

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Sidetrack

Well Name: PCU B27 FED Well Number: 25A-27 197

Name of Operator: QB ENERGY OPERATING LLC ECMC Operator Number: 10844

Address: 1001 17TH STREET SUITE 1600

City: DENVER State: CO Zip: 80202

Contact Name: Katie Biersmith Phone: (720)547-8746 Fax: ()

Email: kbiersmith@qb-energy.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 \$ 23185

WELL LOCATION INFORMATION

Surface Location

QtrQtr: Lot 3 Sec: 27 Twp: 1S Rng: 97W Meridian: 6

Footage at Surface: 523 Feet FNL 2420 Feet FWL

Latitude: 39.941199 Longitude: -108.269251

GPS Data: GPS Quality Value: 1.4 Type of GPS Quality Value: PDOP Date of Measurement: 09/12/2022

Ground Elevation: 6515

Field Name: PICEANCE CREEK Field Number: 68800

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: 27 Twp: 1S Rng: 97W Footage at TPZ: 828 FNL 1011 FWL

Measured Depth of TPZ: 7568 True Vertical Depth of TPZ: 7422 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 27 Twp: 1S Rng: 97W Footage at BPZ: 910 FNL 953 FWL
Measured Depth of BPZ: 12913 True Vertical Depth of BPZ: 12766 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 27 Twp: 1S Rng: 97W Footage at BHL: 910 FNL 953 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 and §37-90.5-107(2)(b)(I) C.R.S, the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas or Deep Geothermal Locations.

The Energy and Carbon Management Act and the Geothermal Resources Act provide 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.

Does the Relevant Local Government regulate the siting of Oil and Gas and Deep Geothermal 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: **QB Energy Operating, LLC contacted Rio Blanco County and they have no siting regulations. Rio Blanco County has waived its right to precede the ECMC in siting determination. Contact Matt Franks, Rio Blanco LGD and Energy & Industry Director at 970-878-9452 for questions.**

GEOTHERMAL

Well Overview

The following questions determine informational requirements based on Well type:

Which type of Geothermal Well is this? Select one of the following:

Will this well be constructed using cementing methodologies other than those listed in Rule 408.f?

If Yes, what method will be used:

Please describe the cementing method to be used in detail:

Geothermal Resource Units

Fill out the information below to submit an application for a Geothermal Resource Unit (GRU) as part of the current permit application. This may also be completed later using a Form 4 Sundry.

Will this Well be in an existing GRU?

Are you submitting your application for a new GRU as part of the current application?

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS OR DEEP GEOTHERMAL LOCATION

Surface Owner of the land at this Well's Oil and Gas Or Deep Geothermal Location: Fee State Federal Indian

Mineral Owner beneath this Well's Oil and Gas Or Deep Geothermal 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.)

Sec. 27-T1S-97W - Lots 3-7, Lots 10 and 15, and other lands

Total Acres in Described Lease: 1896 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # COD0035729

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
Public Road: 3668 Feet
Above Ground Utility: 4932 Feet
Railroad: 5280 Feet
Property Line: 3745 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): Piceance Creek

Unit Number: COC047666X

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: 828 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: 350 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: 12913 Feet

TVD at Proposed Total Measured Depth 12766 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? _____

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 | H40 | 54 | 0 | 100 | 220 | 100 | 0 |
| SURF | 14+3/4 | 9+5/8 | J55 | 36 | 0 | 2500 | 538 | 2500 | 900 |
| 1ST | 8+3/4 | 4+1/2 | HCP110 | 13.5 | 0 | 12913 | 1515 | 12913 | |
| | | 9+5/8 | | Stage Tool | | 900 | 304 | 900 | 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 | Uintah | 0 | 0 | 2667 | 2619 | 501-1000 | CGS | |
| Confining Layer | Wasatch | 2667 | 2619 | 5584 | 5474 | | | |
| Hydrocarbon | Wasatch G | 5584 | 5474 | 6064 | 5944 | | | The Wasatch G is a non-productive zone in the referenced area of basin. |
| Confining Layer | Fort Union | 6064 | 5944 | 7573 | 7427 | | | |
| Hydrocarbon | Ohio Creek | 7573 | 7427 | 8323 | 8177 | >10000 | Produced Water Sample | |
| Hydrocarbon | Williams Fork | 8323 | 8177 | 11176 | 11030 | >10000 | Produced Water Sample | |
| Hydrocarbon | Cameo | 11176 | 11030 | 11727 | 11580 | >10000 | Produced Water Sample | |
| Hydrocarbon | Rollins | 11727 | 11580 | 11833 | 11686 | >10000 | Produced Water Sample | The Rollins is a non-productive zone in the referenced area of basin. |
| Hydrocarbon | Cozzette | 11833 | 11686 | 12908 | 12761 | >10000 | Produced Water Sample | |
| Hydrocarbon | Corcorran | 12908 | 12761 | 12913 | 12766 | >10000 | Produced Water Sample | |

OPERATOR COMMENTS AND SUBMITTAL

Comments: This is being submitted to update the BHL due to issues encountered while drilling/due to Lee Fire evacuation. Distance to closest well is ~350' from the 12A well. Please note the well name change, lease change, and unit change due to BHL in different section.

