

FORM
2

Rev
05/22

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

402928845

(SUBMITTED)

Date Received:

07/13/2022

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: TEP Well Number: WMC 412-19-793
Name of Operator: TEP ROCKY MOUNTAIN LLC COGCC Operator Number: 96850
Address: 1058 COUNTY ROAD 215
City: PARACHUTE State: CO Zip: 81635
Contact Name: Jeff Kirtland Phone: (970)263-2736 Fax: ()
Email: jkirtland@terraep.com

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance

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

Surety ID Number (if applicable): 20160057

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: LOT 2 Sec: 19 Twp: 7S Rng: 93W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 2146 Feet FNL 957 Feet FWL

Latitude: 39.426476 Longitude: -107.822590

GPS Data: GPS Quality Value: 2.4 Type of GPS Quality Value: PDOP Date of Measurement: 08/04/2021

Ground Elevation: 8563

Field Name: RULISON Field Number: 75400

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: 19 Twp: 7S Rng: 93W Footage at TPZ: 1935 FNL 714 FWL
Measured Depth of TPZ: 7563 True Vertical Depth of TPZ: 7558 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 19 Twp: 7S Rng: 93WFootage at BPZ: 1935 FNL 714 FWLMeasured Depth of BPZ: 10488True Vertical Depth of BPZ: 10483 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 19 Twp: 7S Rng: 93WFootage at BHL: 1935 FNL 714 FWL

FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATIONCounty: GARFIELDMunicipality: 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: The Honea 19-05 pad is located within Lot 2 of Section 19, Township 7 South, Range 93 West, 6th P.M. on private land owned by TEP, in Garfield County, Colorado. TEP notified Garfield County, the Relevant Local Government with jurisdiction over the siting of the proposed oil and gas location on January 7, 2022. Per the Garfield County Land Use and Development Code, Division 2. 9-201, Oil and Gas Code, an Oil and Gas Permit is not required for locations that do not require an Alternative Location Analysis per Rule 304.b(2) B.i. through viii. and x. Since an Oil and Gas permit is not required, per Table 3-403, "Oil and Gas Drilling and Production" and "Hydraulic Fracturing, Remote Surface Location" are a use by right or Exempt from further Land Use Regulation. Garfield County's disposition is not required for the purpose of this submittal.

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 7 South, Range 93 West, 6 P.M.

Section 19: Lots 1 and 2

Township 7 South, Range 94 West, 6th P.M.

H.E.S. 309, more particularly described as beginning at Corner No. 1 identical with the Northwest Corner to Section 19; thence South 0°41' East 34.62 chains to Corner No. 2; thence North 85°11' West 20.43 chains to Corner No. 3; thence North 18°22' West 14.50 chains to Corner No. 4; thence North 0°23' West 19.15 chains to Corner No. 5; thence East 24.63 chains to Corner No. 1, the place of beginning. Containing 159.98 acres, more or less.

(LEASE MAP IS ATTACHED)

Total Acres in Described Lease: 160

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

Federal or State Lease #

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2312 Feet
Building Unit: 2842 Feet
Public Road: 2353 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 281 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| WILLIAMS FORK | WMFK | 1-229 | | |

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: 493 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: 287 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: 10838 Feet

TVD at Proposed Total Measured Depth 10833 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: _____

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 | X-65 | 78.67 | 0 | 80 | 200 | 80 | 0 |
| SURF | 13+1/2 | 9+5/8 | J-55 | 36 | 0 | 1101 | 270 | 1101 | 0 |
| 1ST | 8+3/4 | 4+1/2 | P-110 | 11.6 | 0 | 10838 | 787 | 10838 | 6093 |

☐ 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 | GRRV | 0 | 0 | 300 | 300 | 501-1000 | Other | Ground water samples collected from the Green River Formation at multiple, regional sources down-gradient of the Honea 19-05 pad. |
| Confining Layer | U Wasatch | 300 | 300 | 4631 | 4628 | | | |
| Hydrocarbon | Wasatch G Sand | 4631 | 4628 | 5722 | 5718 | | | Potential Loss Zone / Non-Productive Zone |
| Hydrocarbon | FT Union | 5722 | 5718 | 6593 | 6588 | | | |
| Hydrocarbon | L Wasatch | 6593 | 6588 | 7033 | 7028 | | | |
| Hydrocarbon | Ohio Creek | 7033 | 7028 | 7563 | 7558 | | | Potential Loss Zone |
| Hydrocarbon | Top Gas | 7563 | 7558 | 9648 | 9643 | | | |
| Hydrocarbon | U Mesaverde | 7563 | 7558 | 9648 | 9643 | | | |
| Hydrocarbon | Cameo | 9648 | 9643 | 10488 | 10483 | | | |
| Hydrocarbon | Rollins | 10488 | 10483 | 10838 | 10833 | | | |

OPERATOR COMMENTS AND SUBMITTAL

Comments: Nearest offset well producing from the same lease and permitted or completed in the same formation: Honea 19-05B (API #05-045-17256)

OGDP application (Docket #220200033) and Form 2A (Doc #402906566) approved on 7/11/2022

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

Oil and Gas Development Plan Name Honea 19-05 OGDP ID#: 481992

Location ID: 335038

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

Signed: _____ Print Name: Melissa Luke

Title: Regulatory Specialist Date: 7/13/2022 Email: mluke@terraep.com

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

COGCC Approved: _____ Director of COGCC Date: _____
Expiration Date: _____

API NUMBER

05

Conditions Of Approval

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

Best Management Practices

No BMP/COA Type

Description

| | | |
|---|--------------------------------|---|
| 1 | Drilling/Completion Operations | Alternative Logging Program: The Honea Fed 24-09C well (API #05-045-19930), one of the first wells drilled on this pad, was logged with an open hole resistivity and gamma ray log from TD into the surface casing. All wells on the pad will have a cement bond log (CBL) with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. 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 will state "Alternative Logging Program - No open-hole logs were run" and will clearly identify the type of log and the well (by API#) in which open-hole logs were run. |
|---|--------------------------------|---|

Total: 1 comment(s)

Attachment List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------------|
| 402939657 | DIRECTIONAL DATA |
| 402939658 | DEVIATED DRILLING PLAN |
| 402957679 | OffsetWellEvaluations Data |
| 402957798 | WELL LOCATION PLAT |
| 402958300 | LEASE MAP |

Total Attach: 5 Files

General Comments

User Group

Comment

Comment Date

| | | |
|--|--|---------------------|
| | | Stamp Upon Approval |
|--|--|---------------------|

Total: 0 comment(s)

Public Comments

No public comments were received on this application during the comment period.

