

FORM  
2

Rev  
08/16

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:

401065259

APPLICATION FOR PERMIT TO:

☐ Drill ☐ Deepen ☐ Re-enter ☒ **Recomplete and Operate**

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☐ OTHER Convert to Injection

Refilling ☐

ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒

Sidetrack ☐

Date Received:

07/26/2016

Well Name: FEDERAL Well Number: 299-26-1  
Name of Operator: TEP ROCKY MOUNTAIN LLC COGCC Operator Number: 96850  
Address: PO BOX 370  
City: PARACHUTE State: CO Zip: 81635  
Contact Name: VICKI SCHOEBER Phone: (970)263-2721 Fax: ( )  
Email: vschoeber@terraep.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: \_\_\_\_\_

WELL LOCATION INFORMATION

QtrQtr: SWNW Sec: 26 Twp: 2S Rng: 99W Meridian: 6

Latitude: 39.847443

Longitude: -108.476450

Footage at Surface: 2575 Feet FNL 1326 Feet FWL

Field Name: SAGE BRUSH HILLS II Field Number: 76140

Ground Elevation: 6816 County: RIO BLANCO

GPS Data:

Date of Measurement: 01/13/2011 PDOP Reading: 2.7 Instrument Operator's Name: J. KIRKPATRICK

If well is ☐ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL

Sec: \_\_\_\_\_ Twp: \_\_\_\_\_ Rng: \_\_\_\_\_ Sec: \_\_\_\_\_ Twp: \_\_\_\_\_ Rng: \_\_\_\_\_

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian

The Surface Owner is: ☒ is the mineral owner beneath the location.

(check all that apply) ☒ is committed to an Oil and Gas Lease.

☒ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☐ Fee ☐ State ☒ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: No

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: \_\_\_\_\_ Surface Surety ID: \_\_\_\_\_

## LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

T2S R99W  
SEC. 25: SE/4NE/4, S/2NW/4, NW/4SW/4, S/2S/2, NE/4SE/4  
SEC. 26: NW/4NE/4, S/2NE/4, W/2, SE/4

Total Acres in Described Lease: 960 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC60756

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 1326 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet  
Building Unit: 5280 Feet  
High Occupancy Building Unit: 5280 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 2258 Feet  
Above Ground Utility: 5280 Feet  
Railroad: 5280 Feet  
Property Line: 3 Feet

### INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).  
- 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, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

## DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone  
☐ Exception Zone  
☐ Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit  
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.  
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: \_\_\_\_\_

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: \_\_\_\_\_

## SPACING and UNIT INFORMATION

Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 2144 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary \_\_\_\_\_ Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
OHIO CREEK	OHCRK			
WILLIAMS FORK	WMFK			

## DRILLING PROGRAM

Proposed Total Measured Depth: 8366 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 H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

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

## GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

## DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

Spent drlg fluids are treated with a de-watering unit. Separated mud solids are disposed with the drill cuttings at a well pad location, or at an approved disposal trench. Separated water is re-used for drilling, or disposed at a permitted inj. well.

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: \_\_\_\_\_ or Document Number: \_\_\_\_\_

## CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	9+5/8	36	0	2976	820	2976	0
1ST	7+7/8	4+1/2	11.6	0	8365	760	8365	5165
		4+1/2	Stage Tool		5165	394	5165	2600

☐ Conductor Casing is NOT planned

## DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

## GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

## RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number \_\_\_\_\_

## OTHER LOCATION EXCEPTIONS

Check all that apply:

☐ Rule 318.c. Exception Location from Rule or Spacing Order Number \_\_\_\_\_

☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

## OPERATOR COMMENTS AND SUBMITTAL

Comments TEP Rocky Mountain LLC is requesting injection from the Federal 299-26-1 into the upper Williams Fork and Ohio Creek Formations.

Proposed SWD Conversion Completion Procedure:

1. MIRU service rig
2. Pressure test csg to 4,800 psi (90% burst)
3. POOH with Tbg
4. RIH with perforation gun and the perf UWMFK Injection 1
5. Pump stage 1
6. RIH with perforation gun and perf the UWMFK Injection 2
7. Pump stage 2
8. RIH with perforation gun and perf the UWMFK Injection 3
9. Pump stage 3
10. RIH with perforation gun and perf the UWMFK Injection 4
11. Pump stage 4
12. RIH drill plugs and CO to appx 6275'. POOH w/ drillout BHA.
13. RIH with injection string and packer
14. Set packer at 5025-ft
15. MIT test to 2,500 psi
16. Call State and BLM inspectors to schedule MIT test casing-tubing annulus 2,500 psi
17. Wait on injection permit

Current and proposed wellbore diagrams are attached, and a copy of the approved BLM Notice of Intent Sundry to convert this well to injection.

The Ryan Creek #2 well was used to determine distance to nearest existing or permitted wellbore belonging to another operator.

This application is in a Comprehensive Drilling Plan No CDP #: \_\_\_\_\_

Location ID: 316360

Is this application being submitted with an Oil and Gas Location Assessment application? No

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

Signed: \_\_\_\_\_ Print Name: VICKI SCHOEBER

Title: Regulatory Specialist Date: 7/26/2016 Email: vschoeber@terraep.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 COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: \_\_\_\_\_



Director of COGCC

Date: 2/19/2017

Expiration Date: 02/18/2019

**API NUMBER**

05 103 10364 00

### 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**

	1.Injection is not authorized until approval of Subsequent Forms 31 and 33. 2.Prior to performing operations, Operator is required to contact COGCC to discuss Step Rate Test or Injectivity Test criteria for Maximum Surface Injection Pressure determination. Prior approval of Form 4 is required for step rate and injectivity tests. 3.Prior to performing operations approval of Form 4 is required for acid and fracturing jobs. (New as of 4/13/2016). 4.Retrieve water sample(s) from injection zone(s) before stimulating formation. Samples must be analyzed for Total Dissolved Solids at a minimum.
	1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy. See attached notice.

### Best Management Practices

**No BMP/COA Type**

**Description**

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### Applicable Policies and Notices to Operators

Policy
NW Colorado Notification Policy. <a href="http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf">http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf</a>
Notice Concerning Operating Requirements for Wildlife Protection. <a href="http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf">http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf</a>

### Attachment Check List

<b><u>Att Doc Num</u></b>	<b><u>Name</u></b>
401065259	FORM 2 SUBMITTED
401079072	FED. DRILLING PERMIT
401079299	WELL LOCATION PLAT
401084010	OTHER
401105937	WELLBORE DIAGRAM
401105939	WELLBORE DIAGRAM

Total Attach: 6 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Forms on the original wellbore have been approved therefore allowing this APD for a recompletion to be approved. Final review complete.	02/14/2017
Permit	Sent reminder email to operator requesting missing 5 & 5A.	01/12/2017
Permit	Reminder sent to operator regarding missing 5/5A. Operator is currently working on update requests to the form 5A they have in draft.	12/09/2016
Permit	Requested operator to file a form 5 and 5A on the previous completion for this well and correct production reporting.	11/30/2016
Permit	Corrected distance to nearest lease line from 1293' to 1326' with operator approval.	11/29/2016
UIC	CBL, Induction, and Density/Neutron logs are on file with COGCC. Formation tops from surface to TD updated via Sundry Notice.	11/22/2016
Permit	Removed spacing order for WMFK formation.	09/29/2016
Engineer	Revised casing information per operator. Stage tool was reportedly placed on the surface string but setting depth and quantity of cement placed above the tool is unknown. Removed attached wellbore diagrams and attached updated diagrams provided by operator.	09/08/2016
Engineer	Per operator, no repair needed in 2014 to pass MIT. Emailed operator regarding casing information and wellbore diagrams.	08/25/2016
Engineer	Sundry # 400587091 implies a casing leak was repaired in 2014. Requested subsequent documentation. Added UIC lead review task.	08/01/2016
Permit	Passed completeness.	07/29/2016
Permit	Note: Well is listed as 3' away from a property line and may be exempt from Rule 603.a.(2) per Rule 602.d since it was spud and initially completed in 2004.	07/29/2016
Permit	Returned to draft per operator request.	07/26/2016

Total: 13 comment(s)