

**APPLICATION FOR PERMIT TO:**

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

Date Received:  
12/19/2017

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_

ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refiling   
Sidetrack

Well Name: TRI STATE TRUCKING      Well Number: PA 643-26

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: 20160057

**WELL LOCATION INFORMATION**

QtrQtr: SENW      Sec: 25      Twp: 6S      Rng: 95W      Meridian: 6

Latitude: 39.496884      Longitude: -107.949570

Footage at Surface: 2285 Feet      FNL/FSL FNL 1932 Feet      FEL/FWL FWL

Field Name: PARACHUTE      Field Number: 67350

Ground Elevation: 5224      County: GARFIELD

GPS Data:  
Date of Measurement: 04/12/2017    PDOP Reading: 1.0    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

1875    FSL    133    FEL      1875    FSL    133    FEL

Sec: 26    Twp: 6S    Rng: 95W      Sec: 26    Twp: 6S    Rng: 95W

**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: Surface Use Agreement

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.)

T6S-R95W:  
 Section 13: Lots 1-4, E2, E2W2  
 Section 23: Lots 1-10, SENE, NESW, N2SE  
 Section 24: Lots 1-5, NE, NENW, S2NW, N2S2  
 Section 25: NWNE, N2NW, SWNW, NWSW  
 Section 26: Lots 1, 2, 7, 8, N2SE, SWSE

Total Acres in Described Lease: 2140 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # COC73094

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 545 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 718 Feet  
 Building Unit: 718 Feet  
 High Occupancy Building Unit: 5280 Feet  
 Designated Outside Activity Area: 5280 Feet  
 Public Road: 1115 Feet  
 Above Ground Utility: 947 Feet  
 Railroad: 1725 Feet  
 Property Line: 251 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: 03/29/2017

**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: 325 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.)
WILLIAMS FORK	WMFK	440-79		

## DRILLING PROGRAM

Proposed Total Measured Depth: 8556 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: 159 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: Cuttings trench

Other Disposal Description:

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
CONDUCTOR	26	18	47.4	0	60	100	60	0
SURF	13+1/2	9+5/8	32	0	1100	266	1100	0
1ST	8+3/4	4+1/2	11.6	0	8556	1588	8556	2029

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 This well is being proposed due to the Tri State Trucking PA 443-26 well (#05-045-23664) being plugged and abandoned during drilling operations (Form 6 - Doc #401481265).

The Mahaffey #1X well was used for the distance from proposed wellbore to nearest existing/permited wellbore belonging to another operator.

Updated plats and multi-well plan for the PA 22-25 pad are being submitted via Form 4 sundry Doc #401481462.

TEP plans to run a triple combo open hole log on one of the new wells on the PA 22-25 pad as stated in the BMP, even though there may be a producing well on this pad that meets the 317.p criteria.

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

Location ID: 335123

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: 12/19/2017 Email: VSCHOEBER@TERRAEP.CO

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: *Matthew Lee* Director of COGCC Date: 1/5/2018

Expiration Date: 01/04/2020

<b>API NUMBER</b> 05 045 23846 00
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## 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.

<u>COA Type</u>	<u>Description</u>
	<p>1)Operator shall comply with the most current revision of the Northwest Notification Policy.</p> <p>2)Operator shall comply with the most current revision of the Garfield County Rulison Field Notice to Operators, with the following exception: All field notice requirements specified in that Notice to Operators are superseded by the requirements of the most current revision of the Northwest Colorado Notification Policy (see Condition of Approval #1).</p> <p>3)Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) to 200' above the Wasatch G. Isolation is required for offset Wasatch G Sand production and injection. Verify production casing cement coverage with a cement bond log.</p>
	This Permit to Drill is approved subject to all the BMP's and COA's on the most recently approved Form 2A and any subsequently approved Form 4 for the Oil and Gas Location (Location ID # 335123). The most recently approved Form 2A and any subsequent Form 4's containing applicable COA's for this location shall be posted onsite during construction, drilling, and completions operations.
	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
	If conductors are preset, operator shall comply with Notice to Operators: Procedures for Preset Conductors (dated September 1, 2016, revised October 6, 2016).

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	The PA 42-26 (API #05-045-23642), one of the first wells drilled on this pad, was logged with open hole resistivity and Gamma Ray Log (Open Hole Triple Combo) from TD into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or 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 in that well and have those logs attached. The Form 5 for each well will state "No open-hole logs were run", will clearly identify the type of log and the well (by API#) in which open-hole logs were run, and will reference the Rule 317.p Exception granted for the well in the submit tab comment box.

Total: 1 comment(s)

## Applicable Policies and Notices to Operators

Policy
Piceance Rulison Field - Notice to Operators. <a href="http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf">http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf</a>
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

<u>Att Doc Num</u>	<u>Name</u>
2168292	EXPEDITED APPROVAL REQUEST
2168293	WAIVERS
2168294	WAIVERS

401479415	FORM 2 SUBMITTED
401479641	EXCEPTION LOC REQUEST
401479647	CORRESPONDENCE
401479652	SURFACE AGRMT/SURETY
401481849	WELL LOCATION PLAT
401490746	DIRECTIONAL DATA
401490757	DEVIATED DRILLING PLAN
401491262	FED. DRILLING PERMIT

Total Attach: 11 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review complete. Director granted expedited approval per Rule 303.i.(2). Waived LGD and public comment periods. Operator has submitted a sundry for this location to update the multi-well plan.	01/05/2018
Permit	Replaced BMP for Rule 317.p as sent by operator.	12/27/2017
Permit	Attached waivers and expedited location request per operator. Requested new BMP for Rule 317.p.	12/26/2017
Engineer	Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. This information was used in addition to locally-available geophysical logs and hydrogeologic information was used to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 200 feet.  Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of the wellbores on this pad meet standards. No mitigation required. There is a Niobrara producer Puckett Land Company PA #744-26 API #045-22370 that meets standards within 1500 feet of planned wellbores on the pad. There is a Wasatch G well Federal #DOE 1-W-26 API #045-06583 that produced and injects within one mile of the surface location of the planned wellbores.	12/21/2017
Permit	Added Related form 2A in Related Forms section and notified operator. Added location ID and notified operator. Preliminary review complete.	12/20/2017
Permit	Form passes completeness.	12/20/2017

Total: 6 comment(s)