

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:

401639259

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☐ GAS ☐ COALBED ☒ OTHER Lateral #1

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Date Received:

05/16/2018

Well Name: EBC

Well Number: 9

Name of Operator: CATAMOUNT ENERGY PARTNERS LLC

COGCC Operator Number: 10464

Address: 1801 BROADWAY #1000

City: DENVER

State: CO

Zip: 80202

Contact Name: Nolan Redmond

Phone: (720)484-2347

Fax: ()

Email: nredmond@catamountep.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20160137

WELL LOCATION INFORMATION

QtrQtr: NESW Sec: 34 Twp: 34N Rng: 5W Meridian: M

Latitude: 37.147151

Longitude: -107.382428

Footage at Surface: 2220 Feet FNL/FSL FSL 1862 Feet FEL/FWL FWL

Field Name: IGNACIO BLANCO

Field Number: 38300

Ground Elevation: 6514

County: ARCHULETA

GPS Data:

Date of Measurement: 10/13/2017 PDOP Reading: 1.9 Instrument Operator's Name: Nelson Ross

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
2088 FNL 705 FEL 1843 FNL 2394 FWL
Sec: 33 Twp: 34N Rng: 5W Sec: 32 Twp: 34N Rng: 5W

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: Yes

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.)

W/2NE/4, W/2, SE/4 SEC 28, SEC 33, NW/4NW/4 SEC 34, T34N R5W

Total Acres in Described Lease: 1240 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC70202

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 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: 728 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 2180 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: 1504 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 705 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Bull Creek Unit Unit Number: COC68667X

SPACING & FORMATIONS COMMENTS

Bull Creek Unit: 34N 5W
19-21: All
26: W/2 SW
27-31: All
32: N/2, W/2 SW, NESE
33: All
34: NWNW
Plus additional acreage

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| FRUITLAND COAL | FRLDC | | | |

DRILLING PROGRAM

Proposed Total Measured Depth: 11333 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 Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? Yes

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 608

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? _____

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 | 500 | 286 | 500 | 0 |
| 1ST | 8+3/4 | 7 | 23 | 0 | 4235 | 384 | 4235 | 0 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 4050 | 11328 | | | |

☒ 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

Drilling Order:
Pilot
Lateral 1
Lateral 1 ST 1

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

Location ID: 320863

Is this application being submitted with an Oil and Gas Location Assessment application? _____ Yes _____

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

Signed: _____ Print Name: Nolan Redmond

Title: Geo/Eng Tech Date: 5/16/2018 Email: nredmond@catamountep.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: 7/25/2018

Expiration Date: 07/24/2020

API NUMBER

05 007 06330 01

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

| | |
|--|--|
| | <p>1) Operator shall provide cement coverage from the production casing shoe (7" FIRST STRING) to a minimum of 200' above the surface casing shoe to provide isolation of all oil, gas, and water-bearing sandstone and coalbed formations that are not otherwise covered by surface casing. Verify production casing cement coverage with a cement bond log.</p> <p>2) If borehole problems occur while drilling and an unplanned sidetrack is required, the following shall apply:</p> <p>a.) Before proceeding, contact the COGCC Engineer for verbal approval and provide an explanation as to what happened to the original borehole and what the plan is for the sidetrack.</p> <p>Contact Information: Craig Burger – Area Engineer 970-625-2497 ext 2 office 970-319-4194 cell Craig.burger@state.co.us</p> <p>b.) Adhere to the instructions provided in the "UNPLANNED Sidetrack While Drilling: Approval and Reporting Process – Southwestern Colorado San Juan Basing ONLY" that can be found on the COGCC website at: Go to COGCC Web Site for more details if necessary Regulation, Forms, Form 2-Permit to Drill, Instructions</p> <p>3) Contact COGCC Engineer – Craig Burger when encountering kicks requiring a mud weight increase of 0.5 ppg to control the kick, unexpected water flows, and unexpected Hydrogen Sulfide.</p> |
|--|--|

Best Management Practices

No BMP/COA Type

Description

| | | |
|---|--------------------------------|---|
| 1 | Drilling/Completion Operations | Rule 317.p: One of the first wells drilled on the pad will be logged with open-hole resistivity log with gamma-ray, 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 "No open-hole logs were run" and will clearly identify the type of log and the well (by API#) in which openhole logs were run. |
|---|--------------------------------|---|

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|---------------------------|------------------------|
| 401639259 | FORM 2 SUBMITTED |
| 401639539 | DIRECTIONAL DATA |
| 401639541 | DEVIATED DRILLING PLAN |
| 401639546 | WELL LOCATION PLAT |
| 401639547 | WELLBORE DIAGRAM |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|---------------------|
| Permit | Final Review Completed. | 07/20/2018 |
| Permit | Per operator: Corrected distance to nearest lease line and checked "is committed to an O&G lease." Corrected distance to nearest unit boundary, added unit description, and removed unit acreage. | 07/20/2018 |
| Engineer | Offset water well check: COGCC evaluated offset water wells within one mile of this proposed well's surface hole location. All permitted water wells within the search radius show zero for reported depths. The offset shallow logs run in the Pargin Mountain Unit #11 gas well (API#067-06140) which is located on the same pad as this proposed well does not reveal any fresh water aquifers deeper than the operator's proposed surface casing. Offset Well Evaluation: Offset oil and gas wells within 1,500 feet of this wellbore meet standards. Operator states this horizontal wellbore will not be fracture stimulated. | 06/11/2018 |
| Permit | Passed Completeness. | 05/24/2018 |

Total: 4 comment(s)