

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:
402217896
(SUBMITTED)

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: UNPLANNED SIDETRACK ☐ Refilling ☐
ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐ Sidetrack ☒

Date Received:

Well Name: Dream Weaver North Well Number: 3B-21H-N268
Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLC COGCC Operator Number: 10633
Address: 1801 CALIFORNIA STREET #2500
City: DENVER State: CO Zip: 80202
Contact Name: Logan Siple Phone: (303)579-2174 Fax: ()
Email: logan.siple@crestonepr.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20160104

WELL LOCATION INFORMATION

QtrQtr: SESW Sec: 21 Twp: 2N Rng: 68W Meridian: 6
Latitude: 40.120037 Longitude: -105.011337
Footage at Surface: 1148 Feet FNL/FSL FSL 1785 Feet FEL/FWL FWL
Field Name: WATTENBERG Field Number: 90750
Ground Elevation: 4901 County: WELD
GPS Data:
Date of Measurement: 08/09/2019 PDOP Reading: 3.1 Instrument Operator's Name: Josh Shirley
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:

LOCAL GOVERNMENT INFORMATION

County: WELD Municipality: N/A

Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."

The local government with jurisdiction is: County

Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this COGCC application? If the local government has waived its right to precede the COGCC in siting determination, indicate by selecting "NO" here and selecting "Waived" below. ☐ 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 local government siting permit type is:

The local government siting permit was filed on:

The disposition of the application filed with the local government is:

Additional explanation of local process:

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: 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.)

Lease covers Sections 17, 20, 21 and 29. Please see attached lease map depicting Crestone's mineral interest leasehold in Sec 21 of the lease.

Total Acres in Described Lease: 1378 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 950 Feet

Building Unit: 1029 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 330 Feet

Above Ground Utility: 316 Feet

Railroad: 5280 Feet

Property Line: 335 Feet

School Facility: 5280 Feet

School Property Line: 5280 Feet

Child Care Center: 5280 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, Designated Outside Activity Area, School Facility, and Child Care Center – 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: 05/10/2018

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: 84 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 463 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit = Township 2 North, Range 68 West
W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 9
W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 16
E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 20
W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 21

If this Form 2 is associated with a Drilling and Spacing Unit application, provide docket number: _____

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		560	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 19884 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: 84 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? No

Will oil based drilling fluids be used? Yes

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 318A

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
CONDUCTOR	24	16	42.09	0	127	95	127	0
SURF	13+1/2	9+5/8	40	0	2280	896	2280	0
1ST	8+1/2	5+1/2	20	0	19884	2858	19884	

☐ 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	
	<p>Per COGCC Guidance Document:</p> <p>i. Explanation of the situation that has resulted in the need to sidetrack After reaching permitted TD, we became differentially stuck across the Shannon Formation while tripping out of the hole to run casing. We have attempted fishing operations for 5 days without success (since 10/17/2019 at 19:30).</p> <p>ii. Total measured depth reached in the wellbore being plugged back The original wellbore depth is 19,922 ftMD.</p> <p>iii. Casing set – size(s) and measured depth(s) We have 9 5/8" 40 lb/ft J-55 casing set at 2280 ftMD.</p> <p>iv. Description of fish in the hole (if any) – including top and bottom measured depths Total Fish Length: ~125 ft Fish Top: 4923 ftMD Fish Bottom: 5048 ftMD</p> <p>Fish Description: *No Radioactive material present. 8 1/2" PDC Bit 8 3/8" RSS Tool 6 3/4" Monel Drill Collars 6 3/4" Gamma Tool 6 1/2" Gap Sub 7" Mud Motor 6 3/4" Filter Sub</p> <p>v. Description of proposed plugs: setting measured depths, heights, and cement volumes We are proposing to set a cement plug from 4550 ft to 5050 ft, total height of 500 ft. Proposed Volume of Cement is 35 bbls.</p> <p>vi. Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk) Proposed cement plug is 17 ppg Class G Cement 1.46 ft3/sk.</p> <p>vii. Measured depth of proposed sidetrack kick-off point Proposed Sidetrack kick-off point is 4550 ft.</p> <p>viii. Proposed objective formation(s) for sidetrack hole – new or same as the wellbore being abandoned Objective formation for the sidetrack hole is the same as the wellbore being abandoned. We are attempting to re-enter the original wellbore below the fish.</p> <p>ix. BHL target for sidetrack hole – new or same as the wellbore being abandoned (NOTE: a change in the BHL must be reviewed and approved by COGCC Permitting prior to completing the sidetrack. Drilling a sidetrack to an unapproved BHL could result in an NOAV, plugging the well, or both). BHL target for the sidetrack hole is the same as the wellbore being abandoned. We are attempting to re-enter the original wellbore below the fish.</p> <p>Received email approval from Diana Burn on 10/22/19 to proceed with Sidetrack Operations; see attached PDF of email.</p> <p>No revised Well Location Plat or Deviated Drilling Plan needed as we plan to re-enter the original wellbore.</p> <p>Previous Form 2 Approved prior to SB-181 Form 2 requirements were implemented.</p>

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

Location ID: 457515 _____

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: Logan Siple

Title: Drilling Technician

Date: _____

Email: logan.siple@crestonepr.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

05 123 48299 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

Best Management Practices

No BMP/COA Type

Description

Attachment Check List

Att Doc Num

Name

402218220

CORRESPONDENCE

402218890

WELLBORE DIAGRAM

Total Attach: 2 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.

