

FORM
2

Rev
12/20

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:

402599700

Date Received:

03/01/2021

APPLICATION FOR PERMIT TO:

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

Amend ☐

Refile ☒

Sidetrack ☐

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER: _____

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Well Name: CC Federal Well Number: 0697-03-03E
Name of Operator: LARAMIE ENERGY LLC COGCC Operator Number: 10433
Address: 1401 17TH STREET SUITE #1400
City: DENVER State: CO Zip: 80202
Contact Name: Joan Proulx Phone: (970)263-3641 Fax: ()
Email: jproulx@laramie-energy.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120081

WELL LOCATION INFORMATION

Surface Location

QtrQtr: Lot 11 Sec: 3 Twp: 6S Rng: 97W Meridian: 6

Footage at Surface: 2138 Feet FNL 2332 Feet FEL
FNL/FSL FEL/FWL

Latitude: 39.558514 Longitude: -108.205065

GPS Data: GPS Quality Value: 1.4 Type of GPS Quality Value: PDOP Date of Measurement: 03/19/2019

Ground Elevation: 8438

Field Name: GRAND VALLEY Field Number: 31290

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: 3 Twp: 6S Rng: 97W Footage at TPZ: 837 FNL 659 FEL
Measured Depth of TPZ: 7666 True Vertical Depth of TPZ: 7318 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 3 Twp: 6S Rng: 97W Footage at TPZ: 837 FNL 659 FEL
Measured Depth of TPZ: 10646 True Vertical Depth of TPZ: 10298 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 3 Twp: 6S Rng: 97W Footage at BHL: 837 FNL 659 FEL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: GARFIELD Municipality: 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: Waived Date of Final Disposition: _____

Comments:

Laramie Energy, LLC, has contacted Garfield County, the local government with jurisdiction over the siting of this proposed oil and gas location and determined that per the Garfield County Land Use and Development Code, Table 3-403, "Oil and Gas Drilling and Production" and "Hydraulic Fracturing, Remote Surface Location" are a use by right or Exempt from Land Use Regulation at this site. Garfield County's disposition is not required for the purposes of this submittal.

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATION

Surface Owner of the land at this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Mineral Owner beneath this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Surface Owner Protection Financial Assurance (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.)

Garfield County, Colorado
Sec. 3, T6S, R97W, 6th PM
Lots 5, 6

Total Acres in Described Lease: 115 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC70734

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 5280 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

Public Road: 5280 Feet
Above Ground Utility: 3705 Feet
Railroad: 5280 Feet
Property Line: 1047 Feet

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-ILES	WFILS	510-70	871	Sec 3: All

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? Yes

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary: 659 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: 321 Feet

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: 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: 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

Well is located in CA COC 79101.

DRILLING PROGRAM

Proposed Total Measured Depth: 10646 Feet

TVD at Proposed Total Measured Depth 10298 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? _____

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

<u>Casing Type</u>	<u>Size of Hole</u>	<u>Size of Casing</u>	<u>Grade</u>	<u>Wt/Ft</u>	<u>Csg/Liner Top</u>	<u>Setting Depth</u>	<u>Sacks Cmt</u>	<u>Cmt Btm</u>	<u>Cmt Top</u>
CONDUCTOR	26	18	NA	47.44	0	60	100	60	0
SURF	14+3/4	9+5/8	J55	36	0	2530	1130	2530	0
1ST	8+3/4	4+1/2	P110IC	11.6	0	10646	1650	10646	2030

☐ Conductor Casing is NOT planned

POTENTIAL FLOW AND CONFINING FORMATIONS

<u>Zone Type</u>	<u>Formation /Hazard</u>	<u>Top M.D.</u>	<u>Top T.V.D.</u>	<u>Bottom M.D.</u>	<u>Bottom T.V.D.</u>	<u>TDS (mg/L)</u>	<u>Data Source</u>	<u>Comment</u>
Groundwater	Uinta	0	0	1179	1169	0-500	CGS	N/A
Subsurface Hazard	Mahogany	1179	1169	3230	3103			
Confining Layer	Wasatch	3230	3103	4945	4718			
Hydrocarbon	Wasatch G	4945	4718	5088	4852			
Hydrocarbon	Fort Union	5088	4852	6938	6598			
Subsurface Hazard	Ohio Creek	6938	6598	7128	6783			
Hydrocarbon	Williams Fork	7128	6783	10646	10298			This hydrocarbon zone includes the Williams Fork, Cameo, Rollins, Cozzette and Corcoran formations.

OPERATOR COMMENTS AND SUBMITTAL

Comments

This Form 2 will replace pending Form 2 #402096645.

The nearest offset wellbore is the CC Federal 0697-03-02E, 045-23799, and is 321' from the BHL of the CC Federal 0697-03-03E.

The CC 0697-03-07 pad (location #452807) was approved and built and 13 of the originally permitted 20 wells were drilled in 2018. The rig was then moved off the pad to drill pads to meet other lease obligations. The rig is scheduled to return to the CC 697-03-07 to drill the remaining 7 wells in 2021. The SHL and/or BHL on the 7 remaining wells were changed and approved via Form 4 Sundry Notices. There are no changes to the objective formations of the wells.

There have been no changes to the surrounding land use and there will be no changes to the existing location. Laramie Energy, LLC, is the surface owner.

A 1.9 inch OD 2.76 ppf J-55 IJ parasite string will be strapped to outside of surface casing with injection mandrel set ~120 feet above the surface shoe.

Cuttings: See attached "CC 0697-03-07 Pad Cuttings Management Plan 02-18-21 wpb."

The CC 0697-03-07 pad is not located with a Rule 1202.c. NSO Habitat, a Rule 1202.d. Density Habitat, or a Rule 309.e.1. Other Consultation Habitat area.

The edge of the 0697-03-07 pad is located ~308' from the NSO Habitat boundary for Aquatic Sportfish Management Waters, and 726' from the Rule 309.e.1. boundary for Greater Sage Grouse General Habitat Management Area. The pad is also located in a black bear area; the wildlife BMP for black bear was attached to approved Form 2A #401387622. On August 2, 2017, Laramie Energy employees met with the BLM and the CPW to discuss the pad location and the sensitive wildlife habitat for the Greater Sage Grouse. Both the BLM and the CPW are of the opinion that no BMPs are required for this proposed location and are waiving the BMP requirement. Following is an excerpt from United State Department of the Interior, Bureau of Land Management, Environmental Assessment, DOI-BLM-CO-N040-2017-0104-EA, Federal Lease COC70734 and Federal Lease COC56830: "However, since the majority of the area surrounding the well pads does not support sagebrush, this is not suitable habitat for sage-grouse. Small patches of suitable habitat may exist between stands of aspen and mountain shrub in the project area. However, the lack of connectivity and the steep topography in the area render it unlikely that it would be used by individuals." No grouse or sign were observed during surveys conducted by WestWater Engineering in August of 2017 (WestWater 2017a, WestWater 2017b). Representatives from Colorado Parks and Wildlife attended the onsite on August 2, 2017, and made the determination that the location of the pad would not have a negative impact on GRSG since the area is already highly fragmented and the topography between the nearest lek and the proposed development would buffer potential impacts. Additionally, "since the area contains marginally suitable habitat, it is unlikely that GRSG frequent the area where the project is proposed (CPW 2017b, M. Warren, pers. comm., 2 Aug 2017). As a result, MD MR-10, the March 1 to July 15 TL for lekking, nesting, and early brood-rearing will not be applied."

DI Community: The 697-03-07 pad is located in Block Group ID: 080459521001; Block group % minority population is > county % minority population. The 0697-03-07 pad is in a very remote location in a large oil and gas production field located in Garfield County. The pad is not located within 2,000' of an RBU, HOBu or school.

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

Oil and Gas Development Plan Name _____ OGDP ID#: _____

Location ID: 452807

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

Signed: _____ Print Name: Joan Proulx

Title: Regulatory Analyst Date: 3/1/2021 Email: jproulx@laramie-energy.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, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved: 

Director of COGCC

Date: 4/20/2021

Expiration Date: 04/19/2024

API NUMBER

05 045 23795 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.

Condition of Approval

COA Type

Description

Drilling/Completion Operations

1)Operator shall comply with the most current revision of the Northwest Colorado Notification Policy.

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).

3)Operator shall provide cement coverage from the production casing shoe (4+1/2" FIRST STRING) to a minimum of 200' above all Mesaverde Group (and Ohio Creek Formation, if present) oil, gas, and water-bearing sandstone and coalbed formations. Verify production casing cement coverage with a cement bond log.

Interim Reclamation

Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operation (dated January 5, 2017).

2 COAs

Best Management Practices

No BMP/COA Type

Description

1 Drilling/Completion Operations

Alternative Logging Program: One of the first wells drilled on the pad will be logged with open-hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log 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. OH Logs were run on the CC 0697-03-13W (API# 05-045-23794) and the CC 0697-03-17W (API# 05-045-23815).

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Piceance Rulison Field - Notice to Operators.

<http://cogcc.state.co.us/documents/reg/Policies/NoticeToOp-20060623-2.pdf>

NW Colorado Notification Policy.

http://cogcc.state.co.us/documents/reg/Policies/nw_notification_procedures.pdf

Attachment List

Att Doc Num	Name
402599700	FORM 2 SUBMITTED
402599741	WELL LOCATION PLAT
402599742	DEVIATED DRILLING PLAN
402599745	DEVIATED DRILLING PLAN
402599746	DIRECTIONAL DATA
402607239	OTHER

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Engineer	<p>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 to evaluate the adequacy of the operator's proposed surface casing setting depth. The deepest water well within one mile is 239 feet and it is a monitoring/observation well.</p> <p>Offset Well Evaluation: Existing offset oil and gas wells within 1,500 feet of this wellbore meet standards. No mitigation required.</p> <p>Unchecked "No offset wells within 1500'" box. 13 offset wells exist on this pad from previous drilling operations.</p>	04/20/2021
OGLA	<p>This Location (ID #452807) and its associated Form 2A materials were fully reviewed during the OGLA review of this APD in accordance with current Rules. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources.</p> <p>Passed the OGLA task.</p>	03/22/2021
Permit	Final Review Completed.	03/04/2021
Permit	Passed Permitting review.	03/02/2021
Permit	<p>Returned to draft - Well Name and API Number (or document number if pending APD) not provided of the nearest "offset wellbore permitted or completed in the same formation" in the Operator Comments on the Submit Tab.</p> <p>Corrected by operator.</p>	03/01/2021

Total: 5 comment(s)