

FORM
2

Rev
05/22

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:

403391938

(SUBMITTED)

Date Received:

05/03/2023

APPLICATION FOR PERMIT TO

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

Amend ☐

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER: UNPLANNED SIDETRACK

Refile ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: TEP

Well Number: WMC 532-19-793

Name of Operator: TEP ROCKY MOUNTAIN LLC

COGCC Operator Number: 96850

Address: 1058 COUNTY ROAD 215

City: PARACHUTE

State: CO

Zip: 81635

Contact Name: Jeff Kirtland

Phone: (970)263-2736

Fax: ()

Email: jkirtland@terraep.com

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance

☐ The Operator has provided or will provide Financial Assurance to the COGCC for this Well.

Surety ID Number (if applicable):

Federal Financial Assurance

☒ In checking this box, the Operator certifies that it has provided or will provide at least this amount of Financial Assurance to the federal government for this Well. (Per Rule702.a.)

Amount of Federal Financial Assurance \$ 202500

WELL LOCATION INFORMATION

Surface Location

QtrQtr: LOT 2 Sec: 19 Twp: 7S Rng: 93W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 2139 Feet FNL 997 Feet FWL

Latitude: 39.426544

Longitude: -107.822452

GPS Data:

GPS Quality Value: 2.4

Type of GPS Quality Value: PDOP

Date of Measurement: 08/04/2021

Ground Elevation: 8563

Field Name: RULISON

Field Number: 75400

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: 19 Twp: 7S Rng: 93W

Footage at TPZ: 2147 FNL 2203 FEL

Measured Depth of TPZ: 4740

True Vertical Depth of TPZ: 4426

FNL/FSL

FEL/FWL

Base of Productive Zone (BPZ)Sec: 19 Twp: 7S Rng: 93WFootage at BPZ: 2147 FNL 2203 FELMeasured Depth of BPZ: 11393True Vertical Depth of BPZ: 10883 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 19 Twp: 7S Rng: 93WFootage at BHL: 2147 FNL 2203 FELFNL/FSLFEL/FWL**LOCAL GOVERNMENT PERMITTING INFORMATION**County: GARFIELDMunicipality: 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: _____ Date of Final Disposition: _____

Comments: The Honea 19-05 pad is located within Lot 2 of Section 19, Township 7 South, Range 93 West, 6th P.M. on private land owned by TEP, in Garfield County, Colorado. TEP notified Garfield County, the Relevant Local Government with jurisdiction over the siting of the proposed oil and gas location on January 7, 2022. Per the Garfield County Land Use and Development Code, Division 2. 9-201, Oil and Gas Code, an Oil and Gas Permit is not required for locations that do not require an Alternative Location Analysis per Rule 304.b(2) B.i. through viii. and x. Since an Oil and Gas permit is not required, per Table 3-403, "Oil and Gas Drilling and Production" and "Hydraulic Fracturing, Remote Surface Location" are a use by right or Exempt from further Land Use Regulation. Garfield County's disposition is not required for the purpose of this submittal.

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATIONSurface Owner of the land at this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ IndianMineral Owner beneath this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Surface Owner Protection Bond (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.)

T7S-R93W

Sec 19: Lots 11, 12, 17-20, 23-26

Sec 20: N2, W2SW4, N2SE4, SW4SE4

Sec 29: Lots 4, 9, 12

Sec 30: S2NE4, NE4SE4, Lots 5, 6, 12

Total Acres in Described Lease: 1162

Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC075070

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2348 Feet
Building Unit: 2860 Feet
Public Road: 2398 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 288 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 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	WMFK	1-229		

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? No

If YES:

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

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: 622 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: 362 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

DRILLING PROGRAM

Proposed Total Measured Depth: 11393 Feet

TVD at Proposed Total Measured Depth 10903 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? No

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Grade	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	30	20	X-65	78.67	0	80	200	80	0
SURF	13+1/2	9+5/8	J-55	36	0	1139	280	1139	0
1ST	8+3/4	4+1/2	P-110	11.6	0	11393	789	11393	6637

☐ Conductor Casing is NOT planned

POTENTIAL FLOW AND CONFINING FORMATIONS

Zone Type	Formation /Hazard	Top M.D.	Top T.V.D.	Bottom M.D.	Bottom T.V.D.	TDS (mg/L)	Data Source	Comment
Groundwater	GRRV	0	0	300	300	501-1000	Other	Ground water samples collected from the Green River Formation at multiple, regional sources downgradient of the Honea 19-05 pad.
Confining Layer	U WASATCH	300	300	5030	4698			
Hydrocarbon	WASATCH G SAND	5030	4698	6209	5788			Potential Loss Zone / Non-Productive Zone
Hydrocarbon	FT UNION	6209	5788	7137	6658			
Hydrocarbon	L WASATCH	7137	6658	7586	7098			
Hydrocarbon	OHIO CREEK	7586	7098	8118	7628			Potential Loss Zone
Hydrocarbon	TOP GAS	8118	7628	10203	9713			
Hydrocarbon	U MESAVERDE	8118	7628	10203	9713			
Hydrocarbon	CAMEO	10203	9713	11043	10553			
Hydrocarbon	ROLLINS	11043	10553	11393	10903			

OPERATOR COMMENTS AND SUBMITTAL

Comments Nearest offset well producing from the same lease and permitted or completed in the same formation: TEP WMC 33-19-793 (Doc #402928838)

OGDP application (Docket #220200033) and Form 2A (Doc #402906566) approved on 7/11/2022

I. While drilling ahead in 8-3/4" production section at 10,991' the drill string parted at 8,544' in the connection of the 5" 19.5# S135 NC50 drill pipe. After encountering several hole instability events at 6,000' MD during fishing operations, TEP requests to proceed with sidetrack operations per the following details:

II. Total depth reached in original wellbore: 10,991' MD

III. Casing Details: 9-5/8" 36# J-55 LTC @ 1,172' MD (only surface casing was set)

IV. Fish Details:

a. TOF: 8,544' MD

b. BOF: 10,991' MD

c. Description: 8-3/4" PDC bit, Mud Motor, EM Tool, Collars, 5" HWDP, 5" Drill Pipe

V. Description of Plugs (2 X 500' Plugs) – Proposed Plugging of current production section

a. Plug #1: 5,500' MD – 5,000' MD / 253 sacks (20% OHXS)

b. Plug #2: 4,950' MD – 4,450' MD / 253 sacks (20% OHXS)

VI. Description of Cement – Proposed Plugging of current production section

a. Plug #1: 17.0 ppg Class G @ 0.992 cu/sk

b. Plug #2: 17.0 ppg Class G @ 0.992 cu/sk

VII. Depth of proposed sidetrack KOP: 4,740' MD

VIII. Objective formations will be the same as permitted

IX. Proposed BHL will be 150' to the north of original BHL for collision avoidance purposes (is a legal location that meets 1-229).

Verbal approval was granted by Craig Burger on

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

Oil and Gas Development Plan Name Honea 19-05 OGDP ID#: 481992

Location ID: 335038

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

Signed: _____ Print Name: Melissa Luke

Title: Regulatory Specialist Date: 5/3/2023 Email: mluke@terraep.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

05 045 24552 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

0 COA	
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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Alternative Logging Program: The Honea Fed 24-09C well (API #05-045-19930), one of the first wells drilled on this pad, was logged with an open hole resistivity and gamma ray log 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 "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.

Total: 1 comment(s)

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
403391949	WELLBORE DIAGRAM
403392219	WELL LOCATION PLAT
403392229	OTHER
403392237	DEVIATED DRILLING PLAN
403392238	DRILLING PLAN
403392894	OffsetWellEvaluations Data
403392927	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)