

FORM
2

Rev
05/22

State of Colorado

Energy & Carbon Management Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

403922097

(SUBMITTED)

Date Received:

09/25/2024

APPLICATION FOR PERMIT TO

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

Amend ☐

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

Refill ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: SOUTHERN UTE Well Number: 704H
Name of Operator: HILCORP ENERGY COMPANY ECMC Operator Number: 10133
Address: P O BOX 61229
City: HOUSTON State: TX Zip: 77208
Contact Name: Amanda Walker Phone: (346)237.2177 Fax: ()
Email: mwalker@hilcorp.com

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

ECMC Financial Assurance

☒ The Operator has provided or will provide Financial Assurance to the ECMC for this Well.

Surety ID Number (if applicable): 20050122

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 \$ _____

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NWNW Sec: 16 Twp: 32N Rng: 7W Meridian: N

FNL/FSL

FEL/FWL

Footage at Surface: 816 Feet FNL 165 Feet FWL

Latitude: 37.021933 Longitude: -107.622660

GPS Data: GPS Quality Value: 2.2 Type of GPS Quality Value: PDOP Date of Measurement: 09/12/2023

Ground Elevation: 6360

Field Name: IGNACIO BLANCO Field Number: 38300

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: 16 Twp: 32N Rng: 7W Footage at TPZ: 743 FNL 918 FWL
Measured Depth of TPZ: 3253 True Vertical Depth of TPZ: 2916 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 16 Twp: 32N Rng: 7WFootage at BPZ: 743 FNL 918 FWLMeasured Depth of BPZ: 7315True Vertical Depth of BPZ: 2985 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 16 Twp: 32N Rng: 7WFootage at BHL: 743 FNL 918 FWL

FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATIONCounty: LA PLATA 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: _____ Date of Final Disposition: _____

Comments: _____

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.)

NW/4NW/4, NE/4NW/4, SW/4NW/4, N/2NE/4 OF SECTION 16, TOWNSHIP 32 NORTH, RANGE 7 WEST, N.M.P.M.Total Acres in Described Lease: 200 Described Mineral Lease is: ☐ Fee ☐ State ☐ Federal ☒ IndianFederal or State Lease # 14-20-151-6

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
Public Road: 4347 Feet
Above Ground Utility: 5280 Feet
Railroad: 5280 Feet
Property Line: 860 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| FRUITLAND COAL | FRLDC | 112-197 | 320 | |

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: 748 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: 1913 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: 7315 Feet

TVD at Proposed Total Measured Depth 2985 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: 902 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

| Casing Type | Size of Hole | Size of Casing | Grade | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|-------|-------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 9+5/8 | H40 | 32.3 | 0 | 320 | 144 | 320 | 0 |
| 1ST | 8+3/4 | 7 | J55 | 23 | 0 | 3583 | 408 | 3583 | 0 |
| 2ND LINER | 6+1/4 | 4+1/2 | J55 | 11.6 | 3268 | 7315 | | | |

☒ 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 | OJO ALAMO | 2428 | 2406 | 2594 | 2544 | 501-1000 | USGS | WATER (FRESH/USEABLE) |
| Confining Layer | KIRTLAND SHALE | 2594 | 2544 | 2706 | 2628 | 1001-10000 | USGS | NONE |
| Hydrocarbon | FRUITLAND COAL | 2706 | 2628 | 3076 | 3630 | 1001-10000 | USGS | GAS, COAL WATER |
| Hydrocarbon | PIRCTURED CLIFFS | 3076 | 3630 | 3276 | 3830 | 1001-10000 | USGS | NONE |

OPERATOR COMMENTS AND SUBMITTAL

Comments

This application is in a Comprehensive Area Plan _____ CAP #: _____

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

Location ID: _____

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

Signed: _____ Print Name: Amanda Walker

Title: Operation Regulatory Tech Date: 9/25/2024 Email: mwalker@hilcorp.com

Based on the information provided herein, this Application for Permit-to-Drill complies with ECMC Rules, applicable orders, and SB 19-181 and is hereby approved.

ECMC Approved: _____ Director of ECMC Date: _____
Expiration Date: _____

API NUMBER

05

CONDITIONS OF APPROVAL, IF ANY LIST

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 | |

Best Management Practices

No BMP/COA Type

Description

| | |
|--|--|
| | |
|--|--|

ATTACHMENT LIST

Att Doc Num

Name

| | |
|-----------|----------------------------|
| 403922102 | FED. DRILLING PERMIT |
| 403922111 | DIRECTIONAL DATA |
| 403934357 | OffsetWellEvaluations Data |

Total Attach: 3 Files

General Comments

User Group

Comment

Comment Date

| | | |
|--|--|---------------------|
| | | Stamp Upon Approval |
|--|--|---------------------|

Total: 0 comment(s)