

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



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08/08/2024

APPLICATION FOR PERMIT TO

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate
Amend ☒
 TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____
Refile ☐
 ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐
Sidetrack ☐

Well Name: SCHMERGE

Well Number: 4-14HZ

Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP

ECMC Operator Number: 47120

Address: P O BOX 173779

City: DENVER

State: CO

Zip: 80217-3779

Contact Name: Loryn Spady

Phone: (720)9293504

Fax: ()

Email: Loryn_Spady@oxy.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): 20230087

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: NESE Sec: 4 Twp: 5N Rng: 67W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 1838 Feet FSL 509 Feet FEL

Latitude: 40.426329

Longitude: -104.890027

GPS Data:

GPS Quality Value: 1.9

Type of GPS Quality Value: PDOP

Date of Measurement: 01/31/2024

Ground Elevation: 4902

Field Name: WATTENBERG

Field Number: 90750

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: 4 Twp: 5N Rng: 67W

Footage at TPZ: 513 FSL 911 FEL

Measured Depth of TPZ: 7745

True Vertical Depth of TPZ: 7201

FNL/FSL

FEL/FWL

Base of Productive Zone (BPZ)Sec: 4 Twp: 5N Rng: 67WFootage at BPZ: 1624 FSL 410 FELMeasured Depth of BPZ: 16672True Vertical Depth of BPZ: 7197 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 4 Twp: 5N Rng: 67WFootage at BHL: 1624 FSL 410 FELFNL/FSLFEL/FWL**LOCAL GOVERNMENT PERMITTING INFORMATION**County: WELDMunicipality: 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.? Yes

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: Approved Date of Final Disposition: 07/20/2023Comments: WOGLA#: 1041WOGLA23-0001**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 ☐ 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.)

Township 5 North, Range 68 West, 6th P.M.
Section 1: N2NE (E2 of Lot 2)
Larimer County, Colorado

Total Acres in Described Lease: 80 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian
Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1829 Feet
Building Unit: 2406 Feet
Public Road: 1882 Feet
Above Ground Utility: 1857 Feet
Railroad: 2220 Feet
Property Line: 540 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.)
CODELL	CODL	407-3497	2920	T5N-67W: SEC 3: N2, N2S2 SEC 4: S2, S2N2, NWNW SEC 5: ALL SEC 6: ALL T5N-68W: SEC 1: 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: 498 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: 441 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

DRILLING PROGRAM

Proposed Total Measured Depth: 16672 Feet TVD at Proposed Total Measured Depth 7197 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: 153 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? Yes

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

Beneficial reuse or land application plan submitted? Yes

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	26	16	ASTM A53 B	36.94	0	80	64	80	0
SURF	12+1/4	8+5/8	L80	28	0	2693	880	2693	0
1ST	7+7/8	5+1/2	HCP110	17	0	16662	1671	16662	

☐ 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
Confining Layer	Pierre Shale	17	17	373	373			A small amount of the Fox Hills Transition Zone may be present at the surface per a USGS map
Groundwater	Upper Pierre Aquifer	374	374	1210	1200	501-1000	Electric Log Calculation	Controlled by samples
Confining Layer	Pierre Shale	1211	1201	2454	2418			
Groundwater	A Sand	2455	2419	2593	2554	1001-10000	Electric Log Calculation	Controlled by samples
Confining Layer	Pierre Shale	2594	2555	4109	4038			
Hydrocarbon	Sussex	4110	4039	4354	4278			Non productive
Confining Layer	Pierre Shale	4355	4279	4683	4600			
Hydrocarbon	Shannon	4684	4601	4773	4688			Non productive
Confining Layer	Pierre Shale	4774	4689	7025	6873			
Hydrocarbon	Niobrara	7026	6874	7681	7198			
Hydrocarbon	Codell	7693	7199	16672	7197			Base MD/TVD for target formation is BHL per ECMC

OPERATOR COMMENTS AND SUBMITTAL

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.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	<p>Operator acknowledges the proximity of the listed non-operated wells. Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 3). Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.</p> <p>123-10778 THORNTON *1</p> <p>Operator acknowledges the proximity of the listed wells. Operator assures that this offset list will be remediated per the DJ Basin Horizontal Offset Policy (option 4). Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation will be completed, during the hydraulic stimulation of this well. This Form 42 shall be filed 48 hours prior to stimulation. Operator will assure that the well's Bradenhead is open and monitored during the entire stimulation treatment – a person will monitor for any evidence of fluid, a Bradenhead test will be performed prior to the beginning of stimulation.</p> <p>123-40291 Greeley-Rothe Federal *33N-2C-L 123-36427 RANCHO WATER VALLEY *5 123-46536 Bluff Federal *32N-2C-L 123-36122 SHURVIEW *13N-3HZ 123-36426 RANCHO WATER VALLEY 13 *7-6-33-270-6-CH 123-36428 RANCHO WATER VALLEY 11 *7-7-33-270-6-CH 123-36433 RANCHO WATER VALLEY *6 123-34891 RANCHO WATER VALLEY *3-9-4 123-36430 RANCHO WATER VALLEY *12</p>
Drilling/Completion Operations	<p>Per ECMC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test:</p> <p>1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact ECMC engineering for approval prior to stimulation.</p> <p>2) If a delayed completion, a second test is required between 6-9 months after rig release and must be conducted prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator must contact ECMC engineering for approval prior to stimulation.</p> <p>3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.</p>
Drilling/Completion Operations	<p>1) Submit Form 42 electronically to ECMC 2 business days prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 2 business day spud notice via Form 42 for all subsequent wells drilled on the pad.</p> <p>2) Comply with Rule 408.j. and provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with a cement bond log.</p> <p>3) Oil based drilling fluid can only be used after all groundwater has been isolated.</p>
Drilling/Completion Operations	<p>Operator will log two (2) additional wells with open-hole resistivity log with gamma-ray log from the kick-off point into the surface casing for the two stratigraphically deepest wells on each directional side of the pad for a total of three (3) wells logged.</p>
4 COAs	

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Kerr-McGee acknowledges and will comply with the ECMC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.`
2	Drilling/Completion Operations	Anti-Collision: Kerr-McGee will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within one hundred fifty (150) feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators within one hundred fifty (150) feet prior to drilling.`
3	Drilling/Completion Operations	One of the first wells drilled will be logged with a cased-hole pulsed neutron, gamma ray, and cement bond log. The other wells on this multi-well location will run a cement bond and gamma ray log from the kickoff point into the surface casing. The Drilling Completion Report (Form 5) submitted for each well will indicate that no open-hole logs were run.`

Total: 3 comment(s)

ATTACHMENT LIST

<u>Att Doc Num</u>	<u>Name</u>
403861420	FORM 2 SUBMITTED
403877363	DIRECTIONAL DATA
403877368	DEVIATED DRILLING PLAN
403879342	WELL LOCATION PLAT
403883173	OTHER
403947507	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	09/30/2024
Permit	Permitting review complete	09/04/2024
OGLA	The Commission approved OGDG #484452 on August 16, 2023 for the Oil and Gas Location related to this Form 2. OGLA task passed.	08/11/2024

Total: 3 comment(s)