

FORM

2

Rev  
05/22

## State of Colorado

## Energy &amp; Carbon Management Commission

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

Document Number:

403919776

Date Received:

09/25/2024

## APPLICATION FOR PERMIT TO

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate
Amend ☐TYPE OF WELL OIL ☐ GAS ☐ COALBED ☒ OTHER: PilotRefile ☐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)2372177

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

 Footage at Surface: 816 Feet FNL/FSL 165 Feet FEL/FWL  
 FNL FNL FNL FNL FNL FNL

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: 694 FNL 1213 FEL

Measured Depth of TPZ: 3583

True Vertical Depth of TPZ: 3056

FNL/FSL

FEL/FWL

**Base of Productive Zone (BPZ)**Sec: 16 Twp: 32N Rng: 7WFootage at BPZ: 694 FNL 1213 FELMeasured Depth of BPZ: 3583True Vertical Depth of BPZ: 3056 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 16 Twp: 32N Rng: 7WFootage at BHL: 694 FNL 1213 FELFNL/FSLFEL/FWL**LOCAL GOVERNMENT PERMITTING INFORMATION**County: 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 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 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 ☒ Indian

Federal 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	N/2

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: 694 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: 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: 3583 Feet

TVD at Proposed Total Measured Depth 3056 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 H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No If yes, attach an H<sub>2</sub>S 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
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

☒ 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	Pictured Cliffs	3076	3630	3276	3830	1001-10000	USGS	None

## OPERATOR COMMENTS AND SUBMITTAL

Comments

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

Oil and Gas Development Plan Name \_\_\_\_\_ OGDID #: \_\_\_\_\_

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

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 ECMC Rules, applicable orders, and SB 19-181 and is hereby approved.

ECMC Approved: \_\_\_\_\_

Director of ECMC

Date: 10/18/2024

Expiration Date: 10/17/2027

**API NUMBER**

05 067 10053 00

**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**

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**ATTACHMENT LIST**

**Att Doc Num**

**Name**

403919776	FORM 2 SUBMITTED
403920022	DIRECTIONAL DATA
403920025	FED. DRILLING PERMIT
403934233	OffsetWellEvaluations Data
403934236	OffsetWellEvaluations Data
403934241	OffsetWellEvaluations Data
403934256	OffsetWellEvaluations Data
403934265	OffsetWellEvaluations Data
403934274	OffsetWellEvaluations Data
403934279	OffsetWellEvaluations Data
403962553	OFFSET WELL EVALUATION

Total Attach: 11 Files

**General Comments**

**User Group**

**Comment**

**Comment Date**

Permit	Final Review Completed.	10/18/2024
Permit	Corrected TPZ values to reflect BHL values as this pilot hole will not be producing.	10/15/2024
OGLA	This APD complies with the Jurisdictional agreement between the ECMC and the Southern Ute Indian Reservation. OGLA task Passed.	10/03/2024
Engineer	No COA - within exterior boundaries of the Southern Ute Indian Reservation, Courtesy Form 2. Offset well evaluation completed.	10/01/2024

Total: 4 comment(s)

