

MID-CONTINENT ENERGY EXCHANGE

Oil & Gas Asset Auctions



Data Packet

Gibson Unit 28-21 & Blehm West + 7 Permitted Wells

8-Well Producing MI/RI/ORRI in
Howard, TX & Weld, CO

In this Document:

[Lot Summary](#)
[Income and Expenses](#)
[Production](#)
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Lot Summary

County/State: Howard County, TX

Legal Description: Sec 21, Blk 33, T-3-N, T&P RR Co. Survey, A-344
& Sec 28, Blk 33, T-3-N, T&P RR Co., Survey, A-1237

Lease Name: **Gibson Unit 28-21**

Asset Type: Mineral Royalty Interest & ORRI

Decimal Interest: 0.00002610

Monthly Income (3 mo): \$117.27

API: See page 4

Lease #: 421051030

OperatorCallon Petroleum Operating Co.

Disclaimer: Bidders must conduct their own due diligence prior to bidding at the auction. Bidders shall rely upon their own evaluations of the properties and not upon any representation either oral or written provided here. This is a summary of information provided by the seller to Mid-Continent Energy Exchange.



Lot Summary

County/State: Weld County, CO

Legal Description: Part of NE Sec 8-7N-67W

Lease Name: **Blehm West**

Asset Type: Mineral Royalty Interest & ORRI

Decimal Interest: 0.00001753

Monthly Income (3 mo): \$0.00

API: 05-123-51531

Operator: Nickel Road Operating, LLC

INCLUDES 7 PERMITTED WELLS

Disclaimer: Bidders must conduct their own due diligence prior to bidding at the auction. Bidders shall rely upon their own evaluations of the properties and not upon any representation either oral or written provided here. This is a summary of information provided by the seller to Mid-Continent Energy Exchange.

County, State
Weld, CO & Howard, TX

Reservoir Shale
Denver Julesburg and Permian

Package Detail - Notes

The check stub provided reflects the full interest owned. The cash flow table reflects the actual interest being conveyed.

This is a 8 Well Package (Producing MI/RI & ORRI) plus 7 Permitted Wells package

Operators:

Gibson Unit 28-21 - Callon Petroleum Operating CO.
2000 W. Sam Houston Pkwy S, Ste 2 Houston, TX 77042
(281)589-5200

Blehm West - Nickel Road Operating, LLC
44 Cook St, Ste 705 Denver, CO 80206
(303)226-7375



Income and Expenses

Summary

3 months income info

Net Income:	\$351.81
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Per Month:	\$117.27
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ROYALTY REVENUE ACCOUNTING MONTH

PROPERTY DESCRIPTION	22-Apr	22-May	22-Jun
GIBSON UNIT 28-21	\$130.20	\$117.68	\$103.93
BLEHM WEST 6X-HC-07-07-67	\$0.00	\$0.00	\$0.00
MONTHLY TOTALS	\$130.20	\$117.68	\$103.93

3 MONTH AVERAGE

\$117.27



Revenue Statement

Owner

Operator

Check

CALLON PETROLEUM OPERATING CO
2000 W. SAM HOUSTON PKWY S. SUITE 2
HOUSTON, TX 77042
281-589-5200
owners@callon.com

Check Number 0005031957
Check Date July 31, 2022
Check Type Check

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		Type	Production Date	Property Values				Owner Share			
				BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
Property:	7265.01	GIBSON UNIT 28-21 06AH, SURVEY: T&P RR CO 344 BLOCK: 33LOT: SEC: 21, State: TX, County: HOWARD									
GAS		OVERRIDING ROYALTY	Apr 22	0.9578	310.00	4.47	1,386.29	0.00020878	0.00020878	0.06	0.29
		PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(125.54)	0.00020878	0.00020878		(0.03)
		SEVERANCE TAX	Apr 22				(82.43)	0.00020878	0.00020878		(0.02)
		OVERRIDING ROYALTY	May 22	0.9351	57.00	5.83	332.41	0.00020878	0.00020878	0.01	0.07
		PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(22.74)	0.00020878	0.00020878		0.00
		SEVERANCE TAX	May 22				(21.66)	0.00020878	0.00020878		0.00
		Total GAS								0.07	0.31
OIL		OVERRIDING ROYALTY	Apr 22		431.71	104.77	45,231.12	0.00020878	0.00020878	0.09	9.44
		TRANSPORTATION	Apr 22				(362.80)	0.00020878	0.00020878		(0.08)
		SEVERANCE TAX	Apr 22				(2,066.64)	0.00020878	0.00020878		(0.43)
		OVERRIDING ROYALTY	Apr 22		781.75	104.10	81,377.89	0.00020878	0.00020878	0.16	16.99
		TRANSPORTATION	Apr 22				(656.97)	0.00020878	0.00020878		(0.14)
		SEVERANCE TAX	Apr 22				(3,718.05)	0.00020878	0.00020878		(0.78)
		OVERRIDING ROYALTY	Apr 22		174.12	106.45	18,535.44	0.00020878	0.00020878	0.04	3.87
		TRANSPORTATION	Apr 22				(146.33)	0.00020878	0.00020878		(0.03)
		SEVERANCE TAX	Apr 22				(846.99)	0.00020878	0.00020878		(0.18)
		OVERRIDING ROYALTY	Apr 22		87.14	106.95	9,319.76	0.00020878	0.00020878	0.02	1.95
		TRANSPORTATION	Apr 22				(73.23)	0.00020878	0.00020878		(0.02)
		SEVERANCE TAX	Apr 22				(425.88)	0.00020878	0.00020878		(0.09)
		OVERRIDING ROYALTY	May 22		52.35	111.05	5,813.54	0.00020878	0.00020878	0.01	1.21
		TRANSPORTATION	May 22				(31.79)	0.00020878	0.00020878		(0.01)

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
SEVERANCE TAX	May 22				(266.29)	0.00020878	0.00020878		(0.06)
OVERRIDING ROYALTY	May 22		211.83	108.44	22,969.88	0.00020878	0.00020878	0.04	4.80
TRANSPORTATION	May 22				(128.64)	0.00020878	0.00020878		(0.03)
SEVERANCE TAX	May 22				(1,052.02)	0.00020878	0.00020878		(0.22)
OVERRIDING ROYALTY	May 22		63.63	111.42	7,089.36	0.00020878	0.00020878	0.01	1.48
TRANSPORTATION	May 22				(38.64)	0.00020878	0.00020878		(0.01)
SEVERANCE TAX	May 22				(324.73)	0.00020878	0.00020878		(0.07)
OVERRIDING ROYALTY	Jun 22		331.83	117.72	39,063.47	0.00020878	0.00020878	0.07	8.16
TRANSPORTATION	Jun 22				(201.52)	0.00020878	0.00020878		(0.04)
SEVERANCE TAX	Jun 22				(1,789.72)	0.00020878	0.00020878		(0.37)
OVERRIDING ROYALTY	Jun 22		882.61	115.35	101,812.29	0.00020878	0.00020878	0.18	21.26
TRANSPORTATION	Jun 22				(536.01)	0.00020878	0.00020878		(0.11)
SEVERANCE TAX	Jun 22				(4,664.23)	0.00020878	0.00020878		(0.97)
OVERRIDING ROYALTY	Jun 22		605.04	117.35	70,999.20	0.00020878	0.00020878	0.13	14.82
TRANSPORTATION	Jun 22				(367.44)	0.00020878	0.00020878		(0.08)
SEVERANCE TAX	Jun 22				(3,252.84)	0.00020878	0.00020878		(0.68)
Total OIL								0.75	79.58
PPROD									
OVERRIDING ROYALTY	Apr 22		2,629.72	1.06	2,779.03	0.00020878	0.00020878	0.55	0.58
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(103.71)	0.00020878	0.00020878		(0.02)
SEVERANCE TAX	Apr 22				(200.65)	0.00020878	0.00020878		(0.04)
OVERRIDING ROYALTY	May 22		469.59	1.03	485.96	0.00020878	0.00020878	0.10	0.10
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(19.36)	0.00020878	0.00020878		0.00
SEVERANCE TAX	May 22				(35.00)	0.00020878	0.00020878		(0.01)
Total PPROD								0.65	0.61
Total Property									80.50
Property: 8447.01 GIBSON UNIT 28-21 03AH, State: TX, County: HOWARD									
GAS									
OVERRIDING ROYALTY	Apr 22	0.9567	6,291.00	4.47	28,100.60	0.00020878	0.00020878	1.31	5.87
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(2,547.61)	0.00020878	0.00020878		(0.53)
SEVERANCE TAX	Apr 22				(1,670.96)	0.00020878	0.00020878		(0.35)
OVERRIDING ROYALTY	May 22	0.9430	5,889.00	5.88	34,633.41	0.00020878	0.00020878	1.23	7.23
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(2,349.63)	0.00020878	0.00020878		(0.49)
SEVERANCE TAX	May 22				(2,257.43)	0.00020878	0.00020878		(0.47)
Total GAS								2.54	11.26
OIL									
OVERRIDING ROYALTY	Apr 22		390.05	106.95	41,716.48	0.00020878	0.00020878	0.08	8.71
TRANSPORTATION	Apr 22				(327.79)	0.00020878	0.00020878		(0.07)
SEVERANCE TAX	Apr 22				(1,906.32)	0.00020878	0.00020878		(0.40)
OVERRIDING ROYALTY	Apr 22		3,499.13	104.10	364,249.21	0.00020878	0.00020878	0.73	76.05

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
TRANSPORTATION	Apr 22				(2,940.62)	0.00020878	0.00020878		(0.61)
SEVERANCE TAX	Apr 22				(16,642.07)	0.00020878	0.00020878		(3.47)
OVERRIDING ROYALTY	Apr 22		779.36	106.45	82,964.49	0.00020878	0.00020878	0.16	17.32
TRANSPORTATION	Apr 22				(654.96)	0.00020878	0.00020878		(0.14)
SEVERANCE TAX	Apr 22				(3,791.11)	0.00020878	0.00020878		(0.79)
OVERRIDING ROYALTY	Apr 22		1,932.36	104.77	202,457.20	0.00020878	0.00020878	0.40	42.27
TRANSPORTATION	Apr 22				(1,623.93)	0.00020878	0.00020878		(0.34)
SEVERANCE TAX	Apr 22				(9,250.41)	0.00020878	0.00020878		(1.93)
OVERRIDING ROYALTY	May 22		4,208.85	108.44	456,388.59	0.00020878	0.00020878	0.88	95.29
TRANSPORTATION	May 22				(2,556.03)	0.00020878	0.00020878		(0.53)
SEVERANCE TAX	May 22				(20,902.61)	0.00020878	0.00020878		(4.37)
OVERRIDING ROYALTY	May 22		1,264.17	111.42	140,847.88	0.00020878	0.00020878	0.26	29.41
TRANSPORTATION	May 22				(767.73)	0.00020878	0.00020878		(0.16)
SEVERANCE TAX	May 22				(6,451.59)	0.00020878	0.00020878		(1.35)
OVERRIDING ROYALTY	May 22		1,040.07	111.05	115,501.26	0.00020878	0.00020878	0.22	24.11
TRANSPORTATION	May 22				(631.63)	0.00020878	0.00020878		(0.13)
SEVERANCE TAX	May 22				(5,290.50)	0.00020878	0.00020878		(1.10)
OVERRIDING ROYALTY	Jun 22		1,142.86	117.72	134,539.01	0.00020878	0.00020878	0.24	28.09
TRANSPORTATION	Jun 22				(694.06)	0.00020878	0.00020878		(0.14)
SEVERANCE TAX	Jun 22				(6,164.01)	0.00020878	0.00020878		(1.29)
OVERRIDING ROYALTY	Jun 22		3,039.77	115.35	350,648.57	0.00020878	0.00020878	0.63	73.21
TRANSPORTATION	Jun 22				(1,846.05)	0.00020878	0.00020878		(0.39)
SEVERANCE TAX	Jun 22				(16,063.92)	0.00020878	0.00020878		(3.35)
OVERRIDING ROYALTY	Jun 22		2,083.81	117.35	244,527.37	0.00020878	0.00020878	0.44	51.05
TRANSPORTATION	Jun 22				(1,265.50)	0.00020878	0.00020878		(0.26)
SEVERANCE TAX	Jun 22				(11,203.07)	0.00020878	0.00020878		(2.34)
Total OIL								4.04	422.35
PPROD									
OVERRIDING ROYALTY	Apr 22		53,305.33	1.06	56,331.89	0.00020878	0.00020878	11.13	11.76
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(2,102.26)	0.00020878	0.00020878		(0.43)
SEVERANCE TAX	Apr 22				(4,067.22)	0.00020878	0.00020878		(0.85)
OVERRIDING ROYALTY	May 22		48,926.17	1.03	50,631.48	0.00020878	0.00020878	10.21	10.57
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(2,016.75)	0.00020878	0.00020878		(0.42)
SEVERANCE TAX	May 22				(3,646.10)	0.00020878	0.00020878		(0.76)
Total PPROD								21.34	19.87
Total Property									453.48
Property:	8448.01	GIBSON UNIT 28-21 04AH, State: TX, County: HOWARD							
GAS									
OVERRIDING ROYALTY	Apr 22	0.9567	8,497.00	4.47	37,953.98	0.00020878	0.00020878	1.77	7.92
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(3,440.95)	0.00020878	0.00020878		(0.72)
SEVERANCE TAX	Apr 22				(2,256.87)	0.00020878	0.00020878		(0.47)

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

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Check Number	0005031957	Owner	Operator	CALLON PETROLEUM OPERATING CO
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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
OVERRIDING ROYALTY	May 22	0.9430	8,353.00	5.88	49,123.00	0.00020878	0.00020878	1.74	10.26
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(3,332.72)	0.00020878	0.00020878		(0.70)
SEVERANCE TAX	May 22				(3,201.86)	0.00020878	0.00020878		(0.67)
Total GAS								3.51	15.62
OIL									
OVERRIDING ROYALTY	Apr 22		5,241.54	104.10	545,629.00	0.00020878	0.00020878	1.09	113.92
TRANSPORTATION	Apr 22				(4,404.92)	0.00020878	0.00020878		(0.92)
SEVERANCE TAX	Apr 22				(24,929.07)	0.00020878	0.00020878		(5.21)
OVERRIDING ROYALTY	Apr 22		2,894.58	104.77	303,270.91	0.00020878	0.00020878	0.60	63.32
TRANSPORTATION	Apr 22				(2,432.57)	0.00020878	0.00020878		(0.51)
SEVERANCE TAX	Apr 22				(13,856.65)	0.00020878	0.00020878		(2.89)
OVERRIDING ROYALTY	Apr 22		1,167.44	106.45	124,276.42	0.00020878	0.00020878	0.24	25.95
TRANSPORTATION	Apr 22				(981.10)	0.00020878	0.00020878		(0.20)
SEVERANCE TAX	Apr 22				(5,678.88)	0.00020878	0.00020878		(1.18)
OVERRIDING ROYALTY	Apr 22		584.28	106.95	62,489.69	0.00020878	0.00020878	0.12	13.05
TRANSPORTATION	Apr 22				(491.02)	0.00020878	0.00020878		(0.10)
SEVERANCE TAX	Apr 22				(2,855.59)	0.00020878	0.00020878		(0.60)
OVERRIDING ROYALTY	May 22		5,789.29	108.44	627,764.34	0.00020878	0.00020878	1.21	131.07
TRANSPORTATION	May 22				(3,515.84)	0.00020878	0.00020878		(0.73)
SEVERANCE TAX	May 22				(28,751.61)	0.00020878	0.00020878		(6.01)
OVERRIDING ROYALTY	May 22		1,430.62	111.05	158,872.40	0.00020878	0.00020878	0.30	33.17
TRANSPORTATION	May 22				(868.82)	0.00020878	0.00020878		(0.18)
SEVERANCE TAX	May 22				(7,277.10)	0.00020878	0.00020878		(1.52)
OVERRIDING ROYALTY	May 22		1,738.87	111.42	193,736.72	0.00020878	0.00020878	0.36	40.45
TRANSPORTATION	May 22				(1,056.02)	0.00020878	0.00020878		(0.22)
SEVERANCE TAX	May 22				(8,874.18)	0.00020878	0.00020878		(1.85)
OVERRIDING ROYALTY	Jun 22		1,354.26	117.72	159,425.30	0.00020878	0.00020878	0.28	33.28
TRANSPORTATION	Jun 22				(822.44)	0.00020878	0.00020878		(0.17)
SEVERANCE TAX	Jun 22				(7,304.19)	0.00020878	0.00020878		(1.52)
OVERRIDING ROYALTY	Jun 22		3,602.08	115.35	415,513.09	0.00020878	0.00020878	0.75	86.75
TRANSPORTATION	Jun 22				(2,187.54)	0.00020878	0.00020878		(0.46)
SEVERANCE TAX	Jun 22				(19,035.49)	0.00020878	0.00020878		(3.97)
OVERRIDING ROYALTY	Jun 22		2,469.27	117.35	289,759.67	0.00020878	0.00020878	0.52	60.50
TRANSPORTATION	Jun 22				(1,499.59)	0.00020878	0.00020878		(0.31)
SEVERANCE TAX	Jun 22				(13,275.39)	0.00020878	0.00020878		(2.77)
Total OIL								5.47	570.14
PPROD									
OVERRIDING ROYALTY	Apr 22		71,996.74	1.06	76,084.57	0.00020878	0.00020878	15.03	15.89
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(2,839.41)	0.00020878	0.00020878		(0.59)
SEVERANCE TAX	Apr 22				(5,493.39)	0.00020878	0.00020878		(1.15)
OVERRIDING ROYALTY	May 22		69,395.42	1.03	71,814.18	0.00020878	0.00020878	14.49	14.99
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(2,860.50)	0.00020878	0.00020878		(0.60)

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

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Check Number	0005031957	Owner	Operator	CALLON PETROLEUM OPERATING CO
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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
SEVERANCE TAX	May 22				(5,171.53)	0.00020878	0.00020878		(1.08)
							Total PPROD	29.52	27.46
							Total Property		613.22

Property: 8449.01 GIBSON UNIT 28-21 05AH, State: TX, County: HOWARD

GAS									
OVERRIDING ROYALTY	Apr 22	0.9566	10,319.00	4.47	46,090.93	0.00020878	0.00020878	2.15	9.62
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(4,178.79)	0.00020878	0.00020878		(0.87)
SEVERANCE TAX	Apr 22				(2,740.71)	0.00020878	0.00020878		(0.57)
OVERRIDING ROYALTY	May 22	0.9431	7,407.00	5.88	43,563.50	0.00020878	0.00020878	1.55	9.10
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(2,955.29)	0.00020878	0.00020878		(0.61)
SEVERANCE TAX	May 22				(2,839.50)	0.00020878	0.00020878		(0.59)
							Total GAS	3.70	16.08

OIL									
OVERRIDING ROYALTY	Apr 22		6,899.30	104.10	718,196.97	0.00020878	0.00020878	1.44	149.95
TRANSPORTATION	Apr 22				(5,798.08)	0.00020878	0.00020878		(1.21)
SEVERANCE TAX	Apr 22				(32,813.47)	0.00020878	0.00020878		(6.85)
OVERRIDING ROYALTY	Apr 22		769.07	106.95	82,253.28	0.00020878	0.00020878	0.16	17.17
TRANSPORTATION	Apr 22				(646.32)	0.00020878	0.00020878		(0.13)
SEVERANCE TAX	Apr 22				(3,758.73)	0.00020878	0.00020878		(0.78)
OVERRIDING ROYALTY	Apr 22		1,536.67	106.45	163,581.72	0.00020878	0.00020878	0.32	34.15
TRANSPORTATION	Apr 22				(1,291.40)	0.00020878	0.00020878		(0.27)
SEVERANCE TAX	Apr 22				(7,474.95)	0.00020878	0.00020878		(1.56)
OVERRIDING ROYALTY	Apr 22		3,810.06	104.77	399,187.57	0.00020878	0.00020878	0.80	83.34
TRANSPORTATION	Apr 22				(3,201.92)	0.00020878	0.00020878		(0.67)
SEVERANCE TAX	Apr 22				(18,239.15)	0.00020878	0.00020878		(3.80)
OVERRIDING ROYALTY	May 22		1,606.83	111.05	178,440.78	0.00020878	0.00020878	0.34	37.26
TRANSPORTATION	May 22				(975.83)	0.00020878	0.00020878		(0.20)
SEVERANCE TAX	May 22				(8,173.43)	0.00020878	0.00020878		(1.70)
OVERRIDING ROYALTY	May 22		6,502.38	108.44	705,088.58	0.00020878	0.00020878	1.36	147.21
TRANSPORTATION	May 22				(3,948.90)	0.00020878	0.00020878		(0.82)
SEVERANCE TAX	May 22				(32,293.07)	0.00020878	0.00020878		(6.74)
OVERRIDING ROYALTY	May 22		1,953.06	111.42	217,600.77	0.00020878	0.00020878	0.41	45.43
TRANSPORTATION	May 22				(1,186.09)	0.00020878	0.00020878		(0.25)
SEVERANCE TAX	May 22				(9,967.29)	0.00020878	0.00020878		(2.08)
OVERRIDING ROYALTY	Jun 22		1,805.33	117.72	212,525.87	0.00020878	0.00020878	0.38	44.37
TRANSPORTATION	Jun 22				(1,096.38)	0.00020878	0.00020878		(0.23)
SEVERANCE TAX	Jun 22				(9,737.04)	0.00020878	0.00020878		(2.03)
OVERRIDING ROYALTY	Jun 22		4,801.83	115.35	553,908.63	0.00020878	0.00020878	1.00	115.65
TRANSPORTATION	Jun 22				(2,916.15)	0.00020878	0.00020878		(0.61)
SEVERANCE TAX	Jun 22				(25,375.66)	0.00020878	0.00020878		(5.30)
OVERRIDING ROYALTY	Jun 22		3,291.72	117.35	386,271.13	0.00020878	0.00020878	0.69	80.65

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

Check Number	0005031957	Owner	Operator	CALLON PETROLEUM OPERATING CO
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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
TRANSPORTATION	Jun 22				(1,999.06)	0.00020878	0.00020878		(0.42)
SEVERANCE TAX	Jun 22				(17,697.09)	0.00020878	0.00020878		(3.69)
								Total OIL	6.90
									715.84
PPROD									
OVERRIDING ROYALTY	Apr 22		87,432.07	1.06	92,396.29	0.00020878	0.00020878	18.25	19.29
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(3,448.15)	0.00020878	0.00020878		(0.72)
SEVERANCE TAX	Apr 22				(6,671.11)	0.00020878	0.00020878		(1.39)
OVERRIDING ROYALTY	May 22		61,541.60	1.03	63,686.62	0.00020878	0.00020878	12.85	13.30
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(2,536.76)	0.00020878	0.00020878		(0.53)
SEVERANCE TAX	May 22				(4,586.24)	0.00020878	0.00020878		(0.96)
								Total PPROD	31.10
								Total Property	760.91
Property: 8451.01 GIBSON UNIT 28-21 11SH, State: TX, County: HOWARD									
GAS									
OVERRIDING ROYALTY	Apr 22	0.9567	6,225.00	4.47	27,805.98	0.00020878	0.00020878	1.30	5.81
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(2,520.89)	0.00020878	0.00020878		(0.53)
SEVERANCE TAX	Apr 22				(1,653.45)	0.00020878	0.00020878		(0.34)
OVERRIDING ROYALTY	May 22	0.9429	4,339.00	5.88	25,516.34	0.00020878	0.00020878	0.91	5.33
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(1,731.20)	0.00020878	0.00020878		(0.36)
SEVERANCE TAX	May 22				(1,663.16)	0.00020878	0.00020878		(0.35)
								Total GAS	2.21
									9.56
OIL									
OVERRIDING ROYALTY	Apr 22		2,392.99	104.10	249,103.27	0.00020878	0.00020878	0.50	52.01
TRANSPORTATION	Apr 22				(2,011.04)	0.00020878	0.00020878		(0.42)
SEVERANCE TAX	Apr 22				(11,381.20)	0.00020878	0.00020878		(2.37)
OVERRIDING ROYALTY	Apr 22		266.75	106.95	28,529.34	0.00020878	0.00020878	0.06	5.96
TRANSPORTATION	Apr 22				(224.17)	0.00020878	0.00020878		(0.05)
SEVERANCE TAX	Apr 22				(1,303.71)	0.00020878	0.00020878		(0.27)
OVERRIDING ROYALTY	Apr 22		532.99	106.45	56,737.90	0.00020878	0.00020878	0.11	11.85
TRANSPORTATION	Apr 22				(447.92)	0.00020878	0.00020878		(0.09)
SEVERANCE TAX	Apr 22				(2,592.67)	0.00020878	0.00020878		(0.54)
OVERRIDING ROYALTY	Apr 22		1,321.50	104.77	138,456.19	0.00020878	0.00020878	0.28	28.91
TRANSPORTATION	Apr 22				(1,110.57)	0.00020878	0.00020878		(0.23)
SEVERANCE TAX	Apr 22				(6,326.16)	0.00020878	0.00020878		(1.32)
OVERRIDING ROYALTY	May 22		2,033.29	108.44	220,480.74	0.00020878	0.00020878	0.42	46.03
TRANSPORTATION	May 22				(1,234.82)	0.00020878	0.00020878		(0.26)
SEVERANCE TAX	May 22				(10,098.02)	0.00020878	0.00020878		(2.11)
OVERRIDING ROYALTY	May 22		502.46	111.05	55,798.90	0.00020878	0.00020878	0.10	11.65
TRANSPORTATION	May 22				(305.14)	0.00020878	0.00020878		(0.06)
SEVERANCE TAX	May 22				(2,555.85)	0.00020878	0.00020878		(0.53)

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

Check Number	0005031957	Owner	Operator	CALLON PETROLEUM OPERATING CO
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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
OVERRIDING ROYALTY	May 22		610.72	111.42	68,043.55	0.00020878	0.00020878	0.13	14.21
TRANSPORTATION	May 22				(370.89)	0.00020878	0.00020878		(0.08)
SEVERANCE TAX	May 22				(3,116.76)	0.00020878	0.00020878		(0.65)
OVERRIDING ROYALTY	Jun 22		449.31	117.72	52,893.38	0.00020878	0.00020878	0.09	11.04
TRANSPORTATION	Jun 22				(272.87)	0.00020878	0.00020878		(0.06)
SEVERANCE TAX	Jun 22				(2,423.35)	0.00020878	0.00020878		(0.51)
OVERRIDING ROYALTY	Jun 22		1,195.07	115.35	137,855.69	0.00020878	0.00020878	0.25	28.78
TRANSPORTATION	Jun 22				(725.77)	0.00020878	0.00020878		(0.15)
SEVERANCE TAX	Jun 22				(6,315.45)	0.00020878	0.00020878		(1.32)
OVERRIDING ROYALTY	Jun 22		819.24	117.35	96,134.77	0.00020878	0.00020878	0.17	20.07
TRANSPORTATION	Jun 22				(497.52)	0.00020878	0.00020878		(0.10)
SEVERANCE TAX	Jun 22				(4,404.43)	0.00020878	0.00020878		(0.92)
Total OIL								2.11	218.47
PPROD									
OVERRIDING ROYALTY	Apr 22		52,746.49	1.06	55,741.33	0.00020878	0.00020878	11.01	11.64
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(2,080.21)	0.00020878	0.00020878		(0.43)
SEVERANCE TAX	Apr 22				(4,024.58)	0.00020878	0.00020878		(0.84)
OVERRIDING ROYALTY	May 22		36,046.60	1.03	37,302.99	0.00020878	0.00020878	7.53	7.79
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(1,485.86)	0.00020878	0.00020878		(0.31)
SEVERANCE TAX	May 22				(2,686.28)	0.00020878	0.00020878		(0.56)
Total PPROD								18.54	17.29
Total Property									245.32
Property:	8452.01	GIBSON UNIT 28-21 12SH, State: TX, County: HOWARD							
GAS									
OVERRIDING ROYALTY	Apr 22	0.9567	9,102.00	4.47	40,655.83	0.00020878	0.00020878	1.90	8.49
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(3,685.96)	0.00020878	0.00020878		(0.77)
SEVERANCE TAX	Apr 22				(2,417.54)	0.00020878	0.00020878		(0.50)
OVERRIDING ROYALTY	May 22	0.9431	8,376.00	5.88	49,262.63	0.00020878	0.00020878	1.75	10.29
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(3,341.91)	0.00020878	0.00020878		(0.70)
SEVERANCE TAX	May 22				(3,210.98)	0.00020878	0.00020878		(0.67)
Total GAS								3.65	16.14
OIL									
OVERRIDING ROYALTY	Apr 22		319.48	106.95	34,168.90	0.00020878	0.00020878	0.07	7.13
TRANSPORTATION	Apr 22				(268.49)	0.00020878	0.00020878		(0.06)
SEVERANCE TAX	Apr 22				(1,561.42)	0.00020878	0.00020878		(0.33)
OVERRIDING ROYALTY	Apr 22		2,866.04	104.10	298,346.39	0.00020878	0.00020878	0.60	62.29
TRANSPORTATION	Apr 22				(2,408.58)	0.00020878	0.00020878		(0.50)
SEVERANCE TAX	Apr 22				(13,631.05)	0.00020878	0.00020878		(2.84)
OVERRIDING ROYALTY	Apr 22		638.35	106.45	67,953.69	0.00020878	0.00020878	0.13	14.19
TRANSPORTATION	Apr 22				(536.46)	0.00020878	0.00020878		(0.11)

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

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Check Number	0005031957	Owner	Operator	CALLON PETROLEUM OPERATING CO
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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
SEVERANCE TAX	Apr 22				(3,105.18)	0.00020878	0.00020878		(0.65)
OVERRIDING ROYALTY	Apr 22		1,582.74	104.77	165,826.82	0.00020878	0.00020878	0.33	34.62
TRANSPORTATION	Apr 22				(1,330.11)	0.00020878	0.00020878		(0.28)
SEVERANCE TAX	Apr 22				(7,576.74)	0.00020878	0.00020878		(1.58)
OVERRIDING ROYALTY	May 22		3,203.16	108.44	347,336.13	0.00020878	0.00020878	0.67	72.52
TRANSPORTATION	May 22				(1,945.28)	0.00020878	0.00020878		(0.41)
SEVERANCE TAX	May 22				(15,908.00)	0.00020878	0.00020878		(3.32)
OVERRIDING ROYALTY	May 22		791.55	111.05	87,902.76	0.00020878	0.00020878	0.17	18.35
TRANSPORTATION	May 22				(480.71)	0.00020878	0.00020878		(0.10)
SEVERANCE TAX	May 22				(4,026.36)	0.00020878	0.00020878		(0.84)
OVERRIDING ROYALTY	May 22		962.10	111.42	107,192.66	0.00020878	0.00020878	0.20	22.38
TRANSPORTATION	May 22				(584.28)	0.00020878	0.00020878		(0.12)
SEVERANCE TAX	May 22				(4,910.00)	0.00020878	0.00020878		(1.02)
OVERRIDING ROYALTY	Jun 22		784.49	117.72	92,351.21	0.00020878	0.00020878	0.16	19.28
TRANSPORTATION	Jun 22				(476.42)	0.00020878	0.00020878		(0.10)
SEVERANCE TAX	Jun 22				(4,231.14)	0.00020878	0.00020878		(0.88)
OVERRIDING ROYALTY	Jun 22		2,086.60	115.35	240,696.93	0.00020878	0.00020878	0.44	50.25
TRANSPORTATION	Jun 22				(1,267.19)	0.00020878	0.00020878		(0.26)
SEVERANCE TAX	Jun 22				(11,026.81)	0.00020878	0.00020878		(2.30)
OVERRIDING ROYALTY	Jun 22		1,430.39	117.35	167,850.96	0.00020878	0.00020878	0.30	35.04
TRANSPORTATION	Jun 22				(868.68)	0.00020878	0.00020878		(0.18)
SEVERANCE TAX	Jun 22				(7,690.12)	0.00020878	0.00020878		(1.60)
Total OIL								3.07	318.57
PPROD									
OVERRIDING ROYALTY	Apr 22		77,121.97	1.06	81,500.79	0.00020878	0.00020878	16.10	17.02
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(3,041.53)	0.00020878	0.00020878		(0.64)
SEVERANCE TAX	Apr 22				(5,884.44)	0.00020878	0.00020878		(1.23)
OVERRIDING ROYALTY	May 22		69,592.65	1.03	72,018.30	0.00020878	0.00020878	14.53	15.04
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(2,868.64)	0.00020878	0.00020878		(0.60)
SEVERANCE TAX	May 22				(5,186.22)	0.00020878	0.00020878		(1.08)
Total PPROD								30.63	28.51
Total Property									363.22
Property:	8453.01	GIBSON UNIT 28-21 13SH, State: TX, County: HOWARD							
GAS									
OVERRIDING ROYALTY	Apr 22	0.9567	5,172.00	4.47	23,103.13	0.00020878	0.00020878	1.08	4.82
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(2,094.46)	0.00020878	0.00020878		(0.44)
SEVERANCE TAX	Apr 22				(1,373.79)	0.00020878	0.00020878		(0.29)
OVERRIDING ROYALTY	Apr 22	0.9567	(5,172.00)	4.47	(23,103.13)	0.00020878	0.00020878	(1.08)	(4.82)
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				2,094.46	0.00020878	0.00020878		0.44
SEVERANCE TAX	Apr 22				1,373.79	0.00020878	0.00020878		0.29

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

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Check Number	0005031957	Owner	Operator	CALLON PETROLEUM OPERATING CO
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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
OVERRIDING ROYALTY	Apr 22	0.9567	5,172.00	4.47	23,103.13	0.00020878	0.00020878	1.08	4.82
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(2,094.46)	0.00020878	0.00020878		(0.44)
SEVERANCE TAX	Apr 22				(1,434.50)	0.00020878	0.00020878		(0.30)
OVERRIDING ROYALTY	May 22	0.9429	5,518.00	5.88	32,449.50	0.00020878	0.00020878	1.15	6.77
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(2,201.60)	0.00020878	0.00020878		(0.46)
SEVERANCE TAX	May 22				(2,115.06)	0.00020878	0.00020878		(0.44)
Total GAS								2.23	9.95
OIL									
OVERRIDING ROYALTY	Apr 22		2,108.97	104.10	219,537.61	0.00020878	0.00020878	0.44	45.84
TRANSPORTATION	Apr 22				(1,772.35)	0.00020878	0.00020878		(0.37)
SEVERANCE TAX	Apr 22				(10,030.38)	0.00020878	0.00020878		(2.09)
OVERRIDING ROYALTY	Apr 22		1,164.66	104.77	122,023.75	0.00020878	0.00020878	0.24	25.48
TRANSPORTATION	Apr 22				(978.77)	0.00020878	0.00020878		(0.20)
SEVERANCE TAX	Apr 22				(5,575.35)	0.00020878	0.00020878		(1.16)
OVERRIDING ROYALTY	Apr 22		469.73	106.45	50,003.74	0.00020878	0.00020878	0.10	10.44
TRANSPORTATION	Apr 22				(394.75)	0.00020878	0.00020878		(0.08)
SEVERANCE TAX	Apr 22				(2,284.95)	0.00020878	0.00020878		(0.48)
OVERRIDING ROYALTY	Apr 22		235.09	106.95	25,143.26	0.00020878	0.00020878	0.05	5.25
TRANSPORTATION	Apr 22				(197.57)	0.00020878	0.00020878		(0.04)
SEVERANCE TAX	Apr 22				(1,148.97)	0.00020878	0.00020878		(0.24)
OVERRIDING ROYALTY	May 22		2,951.42	108.44	320,038.59	0.00020878	0.00020878	0.62	66.82
TRANSPORTATION	May 22				(1,792.40)	0.00020878	0.00020878		(0.37)
SEVERANCE TAX	May 22				(14,657.77)	0.00020878	0.00020878		(3.06)
OVERRIDING ROYALTY	May 22		729.34	111.05	80,994.25	0.00020878	0.00020878	0.15	16.91
TRANSPORTATION	May 22				(442.93)	0.00020878	0.00020878		(0.09)
SEVERANCE TAX	May 22				(3,709.92)	0.00020878	0.00020878		(0.77)
OVERRIDING ROYALTY	May 22		886.49	111.42	98,768.55	0.00020878	0.00020878	0.19	20.62
TRANSPORTATION	May 22				(538.37)	0.00020878	0.00020878		(0.11)
SEVERANCE TAX	May 22				(4,524.13)	0.00020878	0.00020878		(0.94)
OVERRIDING ROYALTY	Jun 22		703.74	117.72	82,845.22	0.00020878	0.00020878	0.15	17.30
TRANSPORTATION	Jun 22				(427.38)	0.00020878	0.00020878		(0.09)
SEVERANCE TAX	Jun 22				(3,795.62)	0.00020878	0.00020878		(0.79)
OVERRIDING ROYALTY	Jun 22		1,871.81	115.35	215,920.12	0.00020878	0.00020878	0.39	45.08
TRANSPORTATION	Jun 22				(1,136.75)	0.00020878	0.00020878		(0.24)
SEVERANCE TAX	Jun 22				(9,891.74)	0.00020878	0.00020878		(2.06)
OVERRIDING ROYALTY	Jun 22		1,283.15	117.35	150,572.89	0.00020878	0.00020878	0.27	31.44
TRANSPORTATION	Jun 22				(779.26)	0.00020878	0.00020878		(0.16)
SEVERANCE TAX	Jun 22				(6,898.53)	0.00020878	0.00020878		(1.44)
Total OIL								2.60	270.40
PPROD									
OVERRIDING ROYALTY	Apr 22		43,825.40	1.06	46,313.71	0.00020878	0.00020878	9.15	9.67
PURCHASER ADJ OR POST PROD. EXPENSE	Apr 22				(1,728.38)	0.00020878	0.00020878		(0.36)

Represented Unit of Measure: Gas = MCFs, Plant Products = GALs, Oil = BBLs

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Type	Production Date	Property Values				Owner Share			
		BTU	Volume	Price	Value	Owner Interest	Distribution Interest	Volume	Value
SEVERANCE TAX	Apr 22				(3,343.90)	0.00020878	0.00020878		(0.70)
OVERRIDING ROYALTY	May 22		45,840.99	1.03	47,438.77	0.00020878	0.00020878	9.57	9.90
PURCHASER ADJ OR POST PROD. EXPENSE	May 22				(1,889.58)	0.00020878	0.00020878		(0.39)
SEVERANCE TAX	May 22				(3,416.19)	0.00020878	0.00020878		(0.71)
							Total PPROD	18.72	17.41
							Total Property		297.76

	Owner Gross Value	Owner Deductions	Owner Taxes	Non Revenue Deductions	Owner Net Value
Check Total	2,987.28	(30.55)	(142.32)		2,814.41
Year to Date	2,987.28				2,814.41



Production





GIBSON UNIT 28-21

Lease #: 421051030

Lease and Production Information

State	County	Operator				
TX	Howard	CALLON PETROLEUM OPERATING CO				
Location	Meridan	Quarter Call	Formation	Horizontal	Production Months	
API: 42-227-39523 { Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237 }						
API: 42-227-40698 { Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237 }						
API: 42-227-40699 { Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237 }						
API: 42-227-40700 { Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237 }						
API: 42-227-40701 { Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237 }						
API: 42-227-40947 { Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237 }						
API: 42-227-40948 { Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237 }						
			Oil	Gas		
First Prod Date			2018-08-01	2018-08-01		
Last Sale			2022-08-01	2022-08-01		
Daily Rate			1048.68	2608.61		
MoM Change			-3595	-1681		
YoY Change			701387	893582		
Cumulative			1221376	1344039		

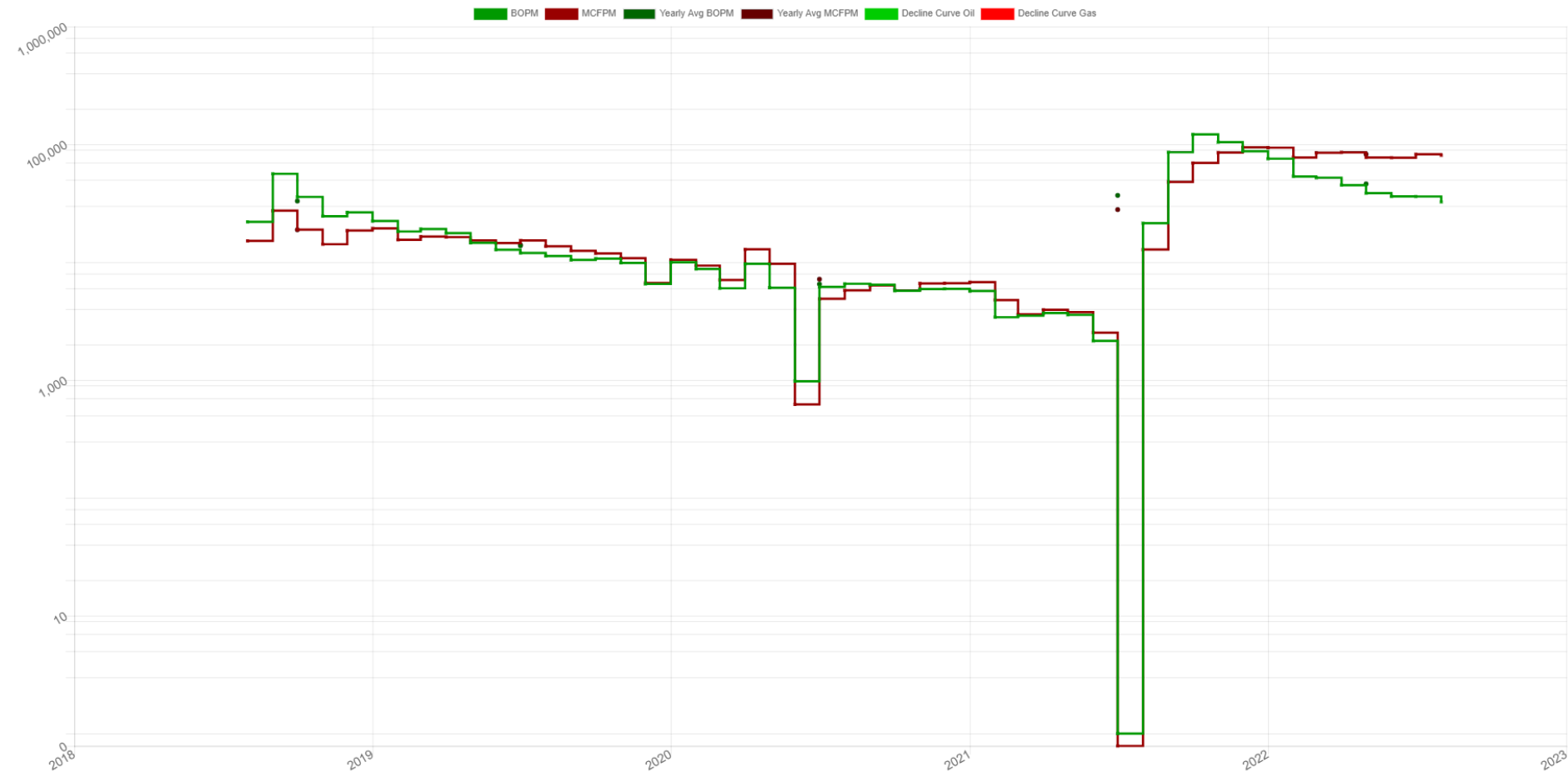
Production Snapshot

Annual Averages

Month	BOPM	MCFPM	Year	Avg BOPM	Avg MCFPM
09-2021	85771	48098	2018	33031	18846
10-2021	121594	69545	2019	13802	14030
11-2021	104383	85311	2020	6520	7174
12-2021	87523	94423	2021	36895	27966
01-2022	75611	93721	2022	46202	82471
02-2022	53444	77458			
03-2022	52163	84989			
04-2022	45116	85656			
05-2022	38526	77425			
06-2022	36140	77103			
07-2022	36104	82548			
08-2022	32509	80867			
Average	64074	79762			



GIBSON UNIT 28-21 - Production Plot





GIBSON UNIT 28-21

Associated Wells

Total Well Count: 7

Well Name	API	Operator					Type	Status
GIBSON UNIT 28-21 11SH	4222740948	CALLON PETROLEUM OPERATING CO					O&G	PRODUCING
Location			Spot	Foot-NS	Foot-EW	Foot-ref	Zone	
Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO/ ALLEN, C T · Abstract: 1237			321	1446		SOUTH WEST	SPRABERRY (TREND AREA)	
Spud	Completion		First Production					
2021-08-26								
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm		PBTD	Drill-Dir	Lateral
7828								
Prod Csg	csg 1: 13 3/8" @ 1259' w/ 874 sx cmt toc @ 0 csg 2: 9 5/8" @ 7094' w/ 468 sx cmt multi stage @ 3195' toc @ 1300 csg 3: 9 5/8" @ 7094' w/ 543 sx cmt toc @ 3195 csg 4: 7" @ 9664' w/ 2902 sx cmt toc @ 642 csg 5: 5 1/2" @ 17938' w/ 2902 sx cmt toc @ 642 tbg 1: 2 7/8" @ 7057'							

Well Name	API	Operator	Type	Status			
GIBSON UNIT 28-21 12SH	4222740699	CALLON PETROLEUM OPERATING CO	O&G	SHUT IN			
Location	Spot	Foot-NS	Foot-EW	Foot-ref	Zone		
Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237		261	2571	SOUTH WEST	SPRABERRY (TREND AREA)		
Spud	Completion	First Production					
2021-08-17							
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm	PBTD	Drill-Dir	Lateral
7809							
Prod Csg	csg 1: 13 3/8" @ 1285' w/ 874 sx cmt toc @ 0 csg 2: 9 5/8" @ 7152' w/ 468 sx cmt multi stage @ 3187' toc @ 100 csg 3: 9 5/8" @ 7152' w/ 567 sx cmt toc @ 3162 csg 4: 7" @ 7697' w/ 2868 sx cmt toc @ 3540 csg 5: 5 1/2" @ 17908' w/ 2868 sx cmt toc @ 3540 tbg 1: 2 7/8" @ 7163'						

Well Name	API	Operator	Type	Status			
GIBSON UNIT 28-21 13SH	4222740701	CALLON PETROLEUM OPERATING CO	O&G	SHUT IN			
Location	Spot	Foot-NS	Foot-EW	Foot-ref	Zone		
Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237	321	2602	SOUTH WEST	SPRABERRY (TREND AREA)			
Spud	Completion	First Production					
2021-08-17							
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm	PBTD	Drill-Dir	Lateral
	7796						
Prod Csg	csg 1: 13 3/8" @ 1279' w/ 874 sx cmt toc @ 0 csg 2: 9 5/8" @ 7190' w/ 483 sx cmt multi stage @ 3187' toc @ 0 csg 3: 9 5/8" @ 7190' w/ 572 sx cmt toc @ 3162 csg 4: 7" @ 11288' w/ 2851 sx cmt toc @ 5000 csg 5: 5 1/2" @ 17762' w/ 2851 sx cmt toc @ 5000 tbg 1: 2 7/8" @ 7267'						

Well Name	API	Operator					Type	Status
GIBSON UNIT 28-21 3AH	4222740947	CALLON PETROLEUM OPERATING CO					O&G	PRODUCING
Location			Spot	Foot-NS	Foot-EW	Foot-ref	Zone	
Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO/ ALLEN, C T · Abstract: 1237			261	1442		SOUTH WEST	SPRABERRY (TREND AREA)	
Spud	Completion		First Production					
2021-08-24								
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm		PBTD	Drill-Dir	Lateral
8210								
Prod Csg	csg 1: 13 3/8" @ 1258' w/ 874 sx cmt toc @ 0 csg 2: 9 5/8" @ 7500' w/ 468 sx cmt multi stage @ 3217' toc @ 0 csg 3: 9 5/8" @ 7500' w/ 584 sx cmt toc @ 3192 csg 4: 7" @ 8595' w/ 2925 sx cmt toc @ 4403 csg 5: 5 1/2" @ 18330' w/ 2925 sx cmt toc @ 4403 tbg 1: 2 7/8" @ 7505'							

Well Name	API	Operator					Type	Status
GIBSON UNIT 28-21 4AH	4222740698	CALLON PETROLEUM OPERATING CO					O&G	PRODUCING
Location			Spot	Foot-NS	Foot-EW	Foot-ref	Zone	
Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237			321	2572	SOUTH WEST		SPRABERRY (TREND AREA)	
Spud	Completion		First Production					
2021-08-18								
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm		PBTD	Drill-Dir	Lateral
8186								
Prod Csg	csg 1: 13 3/8" @ 1253' w/ 874 sx cmt toc @ 0 csg 2: 9 5/8" @ 7555' w/ 468 sx cmt multi stage @ 3218' toc @ 100 csg 3: 9 5/8" @ 7555' w/ 605 sx cmt toc @ 3132 csg 4: 7" @ 10347' w/ 2922 sx cmt toc @ 583 csg 5: 5 1/2" @ 18295' w/ 2922 sx cmt toc @ 583 tbg 1: 2 7/8" @ 7468'							

Well Name	API	Operator					Type	Status
GIBSON UNIT 28-21 5AH	4222740700	CALLON PETROLEUM OPERATING CO					O&G	PRODUCING
Location			Spot	Foot-NS	Foot-EW	Foot-ref	Zone	
Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237			261	2599		SOUTH WEST	SPRABERRY (TREND AREA)	
Spud	Completion		First Production					
2021-08-17								
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm		PBTD	Drill-Dir	Lateral
8167								
Prod Csg	csg 1: 13 3/8" @ 1278' w/ 874 sx cmt toc @ 0 csg 2: 9 5/8" @ 7562' w/ 468 sx cmt multi stage @ 3140' toc @ 100 csg 3: 9 5/8" @ 7562' w/ 602 sx cmt toc @ 3115 csg 4: 7" @ 8351' w/ 2921 sx cmt toc @ 3357 csg 5: 5 1/2" @ 18385' w/ 2921 sx cmt toc @ 3357 tbg 1: 2 7/8" @ 7621'							

Well Name	API	Operator					Type	Status
GIBSON UNIT 28-21 6AH	4222739523	CALLON PETROLEUM OPERATING CO					OIL	PRODUCING
Location			Spot	Foot-NS	Foot-EW	Foot-ref	Zone	
Sec: 28 · Blk: 33 T3N · Survey: T&P RR CO / ALLEN, C T · Abstract: 1237			416	1473	S E	SPRABERRY (TREND AREA)		
Spud	Completion		First Production					
2018-08-19								
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm	PBTD	Drill-Dir	Lateral	
8171								
Prod Csg	csg 1: 13 3/8" @ 1266' w/ 861 sx cmt toc @ 0 csg 2: 9 5/8" @ 7440' w/ 737 sx cmt multi stage @ 4518' toc @ 100 csg 3: 9 5/8" @ 7440' w/ 475 sx cmt toc @ 4518 csg 4: 7" @ 9486' w/ 3096 sx cmt toc @ 3500 csg 5: 5 1/2" @ 18120' w/ 3096 sx cmt toc @ 3500 tbg 1: 2 7/8" @ 7363'							



Misc. Info



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:

402576450

Date Received:

01/27/2021

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: BLEHM WEST Well Number: 1X-HNB-07-07-67
Name of Operator: NICKEL ROAD OPERATING LLC COGCC Operator Number: 10669
Address: 1600 STOUT STREET SUITE 1850
City: DENVER State: CO Zip: 80202
Contact Name: JENNIFER LIND Phone: (303)406-1117 Fax: ()
Email: JENNIFER.LIND@NICKELROADOPERATING.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200034

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 9 Twp: 7N Rng: 67W Meridian: 6
Footage at Surface: 350 Feet FNL/FSL 652 Feet FEL/FWL
Latitude: 40.594996 Longitude: -104.890975
GPS Data: GPS Quality Value: 1.8 Type of GPS Quality Value: PDOP Date of Measurement: 12/07/2017
Ground Elevation: 5088
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: 8 Twp: 7N Rng: 67W Footage at TPZ: 480 FNL 460 FEL
Measured Depth of TPZ: 9236 True Vertical Depth of TPZ: 6925 FNL/FSL FEL/FWL
Base of Productive Zone (BPZ)
Sec: 7 Twp: 7N Rng: 67W Footage at TPZ: 480 FNL 460 FWL
Measured Depth of TPZ: 18480 True Vertical Depth of TPZ: 6920 FNL/FSL FEL/FWL
Bottom Hole Location (BHL)
Sec: 7 Twp: 7N Rng: 67W Footage at BHL: 480 FNL 460 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELD 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.? 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: 09/03/2020

Comments: 1041WOGLA20-0076

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.)

SEE ATTACHED LEASE MAP

Total Acres in Described Lease: 142 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2117 Feet
Building Unit: 2117 Feet
Public Road: 338 Feet
Above Ground Utility: 307 Feet
Railroad: 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 Building is a Building Unit, enter same distance for both.
- Building Unit – as defined in 100 Series Rules.

Property Line: 329 Feet

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-2769	1280	SEC.7&8: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: 460 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: 619 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: 18480 Feet TVD at Proposed Total Measured Depth 6920 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: 935 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? 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	24	16	N/A	42	0	80	100	80	0
SURF	13+1/2	9+5/8	K55	36	0	1500	415	1500	0
1ST	8+1/2	5+1/2	HCP110	20	0	18480	2440	18480	1000

☐ 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	LARAMIE-FOX HILLS	0	0	139	139	1001-10000	Other	CSU - Domestic Water Analysis Report - Larry Moore Well - 176559
Groundwater	UPPER PIERRE	300	300	1314	1314	1001-10000	Other	Water Quality and the Presence and Origin of Methane in the Upper Pierre Aquifer in Northeastern Weld County, Morgan County and Logan County, Colorado COGCC Project Number 2141 October 2017
Confining Layer	PIERRE SHALE	1314	1314	4745	4207			
Hydrocarbon	SUSSEX	4745	4207	5305	4556			
Hydrocarbon	SHANNON	5305	4556	5348	4585			
Confining Layer	PIERRE SHALE	5348	4585	8885	6822			
Hydrocarbon	NIOBRARA	8885	6822	18480	6920			Btm MD=TD, Btm TVD=TVD @ BHL

OPERATOR COMMENTS AND SUBMITTAL

Comments: 935'. Distance to nearest wellbore belonging to another operator measured to the RIO GRANDE 8-67-33-4C (ENERPLUS / 05-123-44902 / XX). There are no other operator wells with treated interval less 175' from the treated interval of the proposed well. Distance measured in 2D map view.

This application is in a Comprehensive Area Plan No CAP #: _____
Oil and Gas Development Plan Name _____ OGDID #: _____
Location ID: 478497

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

Signed: _____ Print Name: JENNIFER LIND
Title: VP REG & ENV Date: 1/27/2021 Email: JENNIFER.LIND@NICKELRO

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: 2/25/2021

Expiration Date: 02/24/2024

API NUMBER

05 123 51534 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.

COA Type

Description

Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 2 business days spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered.

Best Management Practices

No BMP/COA Type

Description

1 Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2 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 to 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 horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
3 Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402576450	APD APPROVED
402583747	OffsetWellEvaluations Data
402583765	DEVIATED DRILLING PLAN
402583766	WELL LOCATION PLAT
402583767	DIRECTIONAL DATA
402583770	LEASE MAP
402610889	OFFSET WELL EVALUATION
402610890	FORM 2 SUBMITTED
402610903	PUBLIC COMMENT-0

Total Attach: 9 Files

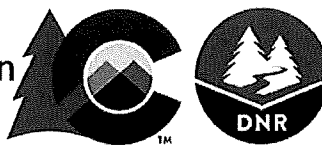
General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	02/25/2021
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Sundry doc #402591420 in Location #478497 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	02/24/2021
Engineer	Revised distance to nearest non-operated well from 310' to 935', per Operator.	02/23/2021
Permit	Permitting Review Complete.	02/02/2021
Engineer	Offset Wells Evaluated.	02/02/2021

Total: 5 comment(s)

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:

402576475

Date Received:

01/27/2021

APPLICATION FOR PERMIT TO:

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

Amend ☐

Refill ☐

Sidetrack ☐

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

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Well Name: BLEHM WEST

Well Number: 2X-HNC-07-07-67

Name of Operator: NICKEL ROAD OPERATING LLC

COGCC Operator Number: 10669

Address: 1600 STOUT STREET SUITE 1850

City: DENVER

State: CO

Zip: 80202

Contact Name: JENNIFER LIND

Phone: (303)406-1117

Fax: ()

Email: JENNIFER.LIND@NICKELROADOPERATING.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200034

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 9 Twp: 7N Rng: 67W Meridian: 6

Footage at Surface: 380 Feet FNL/FSL FNL 653 Feet FEL/FWL FEL

Latitude: 40.594914 Longitude: -104.890981

GPS Data: GPS Quality Value: 1.8 Type of GPS Quality Value: PDOP Date of Measurement: 01/14/2020

Ground Elevation: 5088

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: 8 Twp: 7N Rng: 67W Footage at TPZ: 1097 FNL 460 FEL
Measured Depth of TPZ: 9343 True Vertical Depth of TPZ: 7030 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 7 Twp: 7N Rng: 67W Footage at TPZ: 1098 FNL 460 FWL
Measured Depth of TPZ: 18581 True Vertical Depth of TPZ: 7015 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 7 Twp: 7N Rng: 67W Footage at BHL: 1098 FNL 460 FWL
FNL/FSL FEL/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: 09/03/2020

Comments: 1041WOGLA20-0076

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.)

SEE ATTACHED LEASE MAP

Total Acres in Described Lease: 142 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2109 Feet
Building Unit: 2109 Feet
Public Road: 368 Feet
Above Ground Utility: 337 Feet
Railroad: 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 Building is a Building Unit, enter same distance for both.
- Building Unit – as defined in 100 Series Rules.

Property Line: 359 Feet

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-2769	1280	SEC.7&8: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: 460 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: 618 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: 18581 Feet TVD at Proposed Total Measured Depth 7015 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: 1025 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? 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	24	16	N/A	42	0	80	100	80	0
SURF	13+1/2	9+5/8	K55	36	0	1500	415	1500	0
1ST	8+1/2	5+1/2	HCP110	20	0	18581	2400	18581	1000

☐ 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	LARAMIE-FOX HILLS	0	0	139	139	1001-10000	Other	Data Source: CSU - Domestic Water Analysis Report - Larry Moore Well - 176559
Groundwater	UPPER PIERRE	300	300	1314	1314	1001-10000	Other	Water Quality and the Presence and Origin of Methane in the Upper Pierre Aquifer in Northeastern Weld County, Morgan County and Logan County, Colorado COGCC Project Number 2141 October 2017
Confining Layer	PIERRE SHALE	1314	1314	4776	4224			
Hydrocarbon	SUSSEX	4776	4224	5314	4573			
Hydrocarbon	SHANNON	5314	4573	5362	4602			
Confining Layer	PIERRE SHALE	5362	4602	8845	6839			
Confining Layer	NIOBRARA	8845	6839	18581	7015			Btm MD=TD, Btm TVD=TVD @ BHL

OPERATOR COMMENTS AND SUBMITTAL

Comments Distance revised from 250' to 1025' per operator. Distance to nearest wellbore belonging to another operator measured to the RIO GRANDE 8-67-33-4C (ENERPLUS / 05-123-44902 / XX). There are no other operator wells with treated interval less 175' from the treated interval of the proposed well. Distance measured in 2D map view.

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

Oil and Gas Development Plan Name _____ OGDID #: _____

Location ID: 478497

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

Signed: _____ Print Name: JENNIFER LIND

Title: VP REG & ENV Date: 1/27/2021 Email: JENNIFER.LIND@NICKELRO

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: 2/25/2021

Expiration Date: 02/24/2024

API NUMBER

05 123 51530 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.

COA Type

Description

Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 2 business days spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered.

Best Management Practices

No BMP/COA Type

Description

1 Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2 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 to 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 horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
3 Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402576475	APD APPROVED
402584726	OffsetWellEvaluations Data
402584730	DEVIATED DRILLING PLAN
402584731	WELL LOCATION PLAT
402584732	DIRECTIONAL DATA
402584733	LEASE MAP
402610884	OFFSET WELL EVALUATION
402610891	FORM 2 SUBMITTED
402610898	PUBLIC COMMENT-0

Total Attach: 9 Files

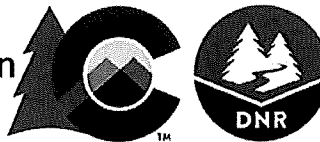
General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	02/25/2021
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Sundry doc #402591420 in Location #478497 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	02/24/2021
Engineer	Revised distance to nearest non-operated well from 250' to 1025', per operator.	02/24/2021
Permit	Permitting Review Complete.	02/02/2021
Engineer	Offset Wells Evaluated.	02/02/2021

Total: 5 comment(s)

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:
402576482
Date Received:
01/27/2021

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: BLEHM WEST Well Number: 3X-HC-07-07-67
Name of Operator: NICKEL ROAD OPERATING LLC COGCC Operator Number: 10669
Address: 1600 STOUT STREET SUITE 1850
City: DENVER State: CO Zip: 80202
Contact Name: JENNIFER LIND Phone: (303)406-1117 Fax: ()
Email: JENNIFER.LIND@NICKELROADOPERATING.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200034

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 9 Twp: 7N Rng: 67W Meridian: 6
Footage at Surface: 410 Feet FNL/FSL 655 Feet FEL/FWL
Latitude: 40.594831 Longitude: -104.890987
GPS Data: GPS Quality Value: 1.8 Type of GPS Quality Value: PDOP Date of Measurement: 11/14/2020
Ground Elevation: 5088
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: 8 Twp: 7N Rng: 67W Footage at TPZ: 1717 FNL 460 FEL
Measured Depth of TPZ: 9506 True Vertical Depth of TPZ: 7140 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 7 Twp: 7N Rng: 67W Footage at TPZ: 1717 FNL 460 FWL
Measured Depth of TPZ: 18737 True Vertical Depth of TPZ: 7130 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 7 Twp: 7N Rng: 67W Footage at BHL: 1717 FNL 460 FWL
FNL/FSL FEL/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)(l)(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)(l)(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: 09/03/2020

Comments: 1041WOGLA20-0076

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.)

SEE ATTACHED LEASE MAP

Total Acres in Described Lease: 142 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2101 Feet
Building Unit: 2101 Feet
Public Road: 398 Feet
Above Ground Utility: 367 Feet
Railroad: 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 Building is a Building Unit, enter same distance for both.
- Building Unit - as defined in 100 Series Rules.

Property Line: 389 Feet

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-2769	1280	SEC.7&8: 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: 460 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: 618 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: 18737 Feet TVD at Proposed Total Measured Depth 7130 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: 1055 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? No

Reuse Facility ID: or Document Number:

<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	24	16	N/A	42	0	80	100	80	0
SURF	13+1/2	9+5/8	K55	36	0	1500	415	1500	0
1ST	8+1/2	5+1/2	HCP110	20	0	18737	2420	18737	1000

POTENTIAL FLOW AND CONFINING FORMATIONS

OPERATOR COMMENTS AND SUBMITTAL

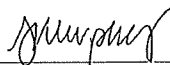
This application is in a Comprehensive Area Plan _____ No _____ CAP #: _____
Oil and Gas Development Plan Name _____ OGDID ID#: _____
Location ID: 478497

Title: VP REG & ENV Date: 1/27/2021 Email: JENNIFER.LIND@NICKELRO

Date Run: 3/12/2021 Doc [#402576482] Well Name: BLEHM WEST 3X-HC-07-07-67

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: 2/25/2021

Expiration Date: 02/24/2024

API NUMBER

05 123 51528 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.

COA Type

Description

Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 2 business days spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered.

Best Management Practices

No BMP/COA Type

Description

1 Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2 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 to 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 horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
3 Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

Att Doc Num **Name**

402576482	APD APPROVED
402584798	OffsetWellEvaluations Data
402584801	DEVIATED DRILLING PLAN
402584802	WELL LOCATION PLAT
402584803	DIRECTIONAL DATA
402584805	LEASE MAP
402610881	OFFSET WELL EVALUATION
402610892	FORM 2 SUBMITTED
402610900	PUBLIC COMMENT-0

Total Attach: 9 Files

General Comments

User Group **Comment** **Comment Date**

Permit	Final Review Completed.	02/25/2021
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Sundry doc #402591420 in Location #478497 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	02/24/2021
Engineer	Revised distance to nearest non-operated well from 515' to 1055', per operator.	02/24/2021
Permit	Permitting Review Complete.	02/02/2021
Engineer	Offset Wells Evaluated.	02/02/2021

Total: 5 comment(s)

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:

402576494

Date Received:

01/27/2021

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: BLEHM WEST

Well Number: 4X-HNB-07-07-67

Name of Operator: NICKEL ROAD OPERATING LLC

COGCC Operator Number: 10669

Address: 1600 STOUT STREET SUITE 1850

City: DENVER

State: CO

Zip: 80202

Contact Name: JENNIFER LIND

Phone: (303)406-1117

Fax: ()

Email: JENNIFER.LIND@NICKELROADOPERATING.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200034

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 9 Twp: 7N Rng: 67W Meridian: 6

Footage at Surface: 440 Feet FNL 656 Feet FEL

Latitude: 40.594749 Longitude: -104.890993

GPS Data: GPS Quality Value: 1.8 Type of GPS Quality Value: PDOP Date of Measurement: 11/14/2020

Ground Elevation: 5098

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: 8 Twp: 7N Rng: 67W

Footage at TPZ: 2336 FNL 460 FEL

Measured Depth of TPZ: 9511

True Vertical Depth of TPZ: 6915

Base of Productive Zone (BPZ)

Sec: 7 Twp: 7N Rng: 67W

Footage at TPZ: 2335 FNL 460 FWL

Measured Depth of TPZ: 18736

True Vertical Depth of TPZ: 6915

Bottom Hole Location (BHL)

Sec: 7 Twp: 7N Rng: 67W

Footage at BHL: 2335 FNL 460 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: 09/03/2020

Comments: 1041WOGLA20-0076

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.)

SEE ATTACHED LEASE MAP

Total Acres in Described Lease: 142 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2093 Feet
Building Unit: 2093 Feet
Public Road: 428 Feet
Above Ground Utility: 397 Feet
Railroad: 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 Building is a Building Unit, enter same distance for both.
- Building Unit – as defined in 100 Series Rules.

Property Line: 419 Feet

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-2769	1280	SEC.7&8: 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: 460 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: 619 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: 18736 Feet TVD at Proposed Total Measured Depth 6915 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: 985 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? 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	24	16	N/A	42	0	80	100	80	0
SURF	13+1/2	9+5/8	K55	36	0	1500	415	1500	0
1ST	8+1/2	5+1/2	HCP110	20	0	18736	2420	18736	1000

☐ 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	LARAMIE-FOX HILLS	0	0	139	139	1001-10000	Other	CSU - Domestic Water Analysis Report - Larry Moore Well - 176559
Groundwater	UPPER PIERRE	300	300	1314	1314	1001-10000	Other	Water Quality and the Presence and Origin of Methane in the Upper Pierre Aquifer in Northeastern Weld County, Morgan County and Logan County, Colorado COGCC Project Number 2141 October 2017
Confining Layer	PIERRE SHALE	1314	1314	4767	4197			
Hydrocarbon	SUSSEX	4767	4197	5355	4546			
Hydrocarbon	SHANNON	5355	4546	5400	4575			
Confining Layer	PIERRE SHALE	5400	4575	9146	6812			
Hydrocarbon	NIOBRARA	9146	6812	18736	6915			Btm MD=TD, Btm TVD=TVD @ BHL

OPERATOR COMMENTS AND SUBMITTAL

Comments: Revised distance to nearest non-operated well from 308' to 985', per operator. Distance to nearest wellbore belonging to another operator measured to the BLACK WILLOW 1 (AMERICAN PETROFINA / 05-123-09381 / AB). There are no other operator wells with treated interval less 175' from the treated interval of the proposed well. Distance measured in 2D map view.

This application is in a Comprehensive Area Plan No

CAP #: _____

Oil and Gas Development Plan Name _____

OGDP ID#: _____

Location ID: 478497

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

Signed: _____

Print Name: JENNIFER LIND

Title: VP REG & ENV

Date: 1/27/2021

Email: JENNIFER.LIND@NICKELRO

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: 2/25/2021

Expiration Date: 02/24/2024

API NUMBER

05 123 51533 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.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 2 business days spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2	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 to 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 horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
3	Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402576494	APD APPROVED
402584832	OffsetWellEvaluations Data
402584835	DEVIATED DRILLING PLAN
402584836	WELL LOCATION PLAT
402584837	DIRECTIONAL DATA
402584838	LEASE MAP
402610887	OFFSET WELL EVALUATION
402610893	FORM 2 SUBMITTED
402610899	PUBLIC COMMENT-0

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	02/25/2021
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Sundry doc #402591420 in Location #478497 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	02/24/2021
Engineer	Revised distance to nearest non-operated well from 308' to 985', per operator.	02/24/2021
Permit	Permitting Review Complete.	02/02/2021
Engineer	Offset Wells Evaluated.	02/02/2021

Total: 5 comment(s)

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:

402576499

Date Received:

01/27/2021

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: BLEHM WEST

Well Number: 5X-HNC-07-07-67

Name of Operator: NICKEL ROAD OPERATING LLC

COGCC Operator Number: 10669

Address: 1600 STOUT STREET SUITE 1850

City: DENVER

State: CO

Zip: 80202

Contact Name: JENNIFER LIND

Phone: (303)406-1117

Fax: ()

Email: JENNIFER.LIND@NICKELROADOPERATING.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200034

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 9 Twp: 7N Rng: 67W Meridian: 6

Footage at Surface: 470 Feet FNL/FSL 658 Feet FEL/FWL

Latitude: 40.594667

Longitude: -104.890999

GPS Data: GPS Quality Value: 1.8 Type of GPS Quality Value: PDOP

Date of Measurement: 11/14/2020

Ground Elevation: 5088

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: 8 Twp: 7N Rng: 67W

Footage at TPZ: 2337 FSL 460 FEL

Measured Depth of TPZ: 9764

True Vertical Depth of TPZ: 7010 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 7 Twp: 7N Rng: 67W

Footage at TPZ: 2339 FSL 460 FWL

Measured Depth of TPZ: 18982

True Vertical Depth of TPZ: 7010 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 7 Twp: 7N Rng: 67W

Footage at BHL: 2339 FSL 460 FWL

FNL/FSL FEL/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: 09/03/2020Comments: 1041WOGLA20-0076**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 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.)

SEE ATTACHED LEASE MAPTotal Acres in Described Lease: 142 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2086 Feet
Building Unit: 2086 Feet
Public Road: 458 Feet
Above Ground Utility: 427 Feet
Railroad: 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 Building is a Building Unit, enter same distance for both.
- Building Unit - as defined in 100 Series Rules.

Property Line: 449 Feet

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-2769	1280	SEC.7&8: 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: 460 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: 619 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: 18982 Feet TVD at Proposed Total Measured Depth 7010 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: 340 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? 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	24	16	N/A	42	0	80	100	80	0
SURF	13+1/2	9+5/8	K55	36	0	1500	415	1500	0
1ST	8+1/2	5+1/2	HCP110	20	0	18982	2450	18982	1000

☐ 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	LARAMIE-FOX HILLS	0	0	139	139	1001-10000	Other	CSU - Domestic Water Analysis Report - Larry Moore Well - 176559
Groundwater	UPPER PIERRE	300	300	1314	1314	1001-10000	Other	Water Quality and the Presence and Origin of Methane in the Upper Pierre Aquifer in Northeastern Weld County, Morgan County and Logan County, Colorado COGCC Project Number 2141 October 2017
Confining Layer	PIERRE SHALE	1314	1314	4787	4204			
Hydrocarbon	SUSSEX	4787	4204	5381	4553			
Hydrocarbon	SHANNON	5381	4553	5436	4582			
Confining Layer	PIERRE SHALE	5436	4582	9231	6819			
Hydrocarbon	NIOBRARA	9231	6819	18982	7010			Btm MD=TD, Btm TVD=TVD @ BHL

OPERATOR COMMENTS AND SUBMITTAL

Comments: Revised the distance to the nearest non-operated well from 395' to 340', per operator. Distance to nearest wellbore belonging to another operator measured to the BLACK WILLOW 1 (AMERICAN PETROFINA / 05-123-09381 / AB). There are no other operator wells with treated interval less 175' from the treated interval of the proposed well. Distance measured in 2D map view.

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

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

Location ID: 478497

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

Signed: _____ Print Name: JENNIFER LIND

Title: VP REG & ENV Date: 1/27/2021 Email: JENNIFER.LIND@NICKELRO

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: 2/25/2021
Expiration Date: 02/24/2024

API NUMBER

05 123 51529 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.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 2 business days spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2	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 to 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 horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
3	Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402576499	APD APPROVED
402584903	OffsetWellEvaluations Data
402584904	DEVIATED DRILLING PLAN
402584905	WELL LOCATION PLAT
402584906	LEASE MAP
402584907	DIRECTIONAL DATA
402610882	OFFSET WELL EVALUATION
402610894	FORM 2 SUBMITTED
402610902	PUBLIC COMMENT-0

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	02/25/2021
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Sundry doc #402591420 in Location #478497 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	02/24/2021
Engineer	Revised the distance to the nearest non-operated well from 395' to 340', per operator.	02/24/2021
Permit	Permitting Review Complete.	02/02/2021
Engineer	Offset Wells Evaluated.	02/02/2021

Total: 5 comment(s)

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:
402576514
Date Received:
01/27/2021

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: BLEHM WEST Well Number: 7X-HNB-07-07-67
Name of Operator: NICKEL ROAD OPERATING LLC COGCC Operator Number: 10669
Address: 1600 STOUT STREET SUITE 1850
City: DENVER State: CO Zip: 80202
Contact Name: JENNIFER LIND Phone: (303)406-1117 Fax: ()
Email: JENNIFER.LIND@NICKELROADOPERATING.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200034

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 9 Twp: 7N Rng: 67W Meridian: 6
Footage at Surface: 500 Feet FNL 660 Feet FEL
Latitude: 40.594585 Longitude: -104.891006
GPS Data: GPS Quality Value: 2.0 Type of GPS Quality Value: PDOP Date of Measurement: 11/14/2020
Ground Elevation: 5088
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: 8 Twp: 7N Rng: 67W Footage at TPZ: 1100 FSL 460 FEL
Measured Depth of TPZ: 10252 True Vertical Depth of TPZ: 6915 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 7 Twp: 7N Rng: 67W Footage at TPZ: 1102 FSL 460 FWL
Measured Depth of TPZ: 19457 True Vertical Depth of TPZ: 6915 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 7 Twp: 7N Rng: 67W Footage at BHL: 1102 FSL 460 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELD

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.? ☒ 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: 09/03/2020

Comments: 1041WOGLA20-0076

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.)

SEE ATTACHED LEASE MAP

Total Acres in Described Lease: 142 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2080 Feet
Building Unit: 2080 Feet
Public Road: 488 Feet
Above Ground Utility: 457 Feet
Railroad: 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 Building is a Building Unit, enter same distance for both.
- Building Unit – as defined in 100 Series Rules.

Property Line: 479 Feet

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-2769	1280	SEC.7&8: 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: 460 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: 618 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: 19457 Feet TVD at Proposed Total Measured Depth 6915 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: 410 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? 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	24	16	N/A	42	0	80	100	80	0
SURF	13+1/2	9+5/8	K55	36	0	1500	415	1500	0
1ST	8+1/2	5+1/2	HCP110	20	0	19457	2520	19457	1000

☐ 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	LARAMIE-FOX HILLS	0	0	139	139	1001-10000	Other	CSU - Domestic Water Analysis Report - Larry Moore Well - 176559
Groundwater	UPPER PIERRE	300	300	1314	1314	1001-10000	Other	Water Quality and the Presence and Origin of Methane in the Upper Pierre Aquifer in Northeastern Weld County, Morgan County and Logan County, Colorado COGCC Project Number 2141 October 2017
Confining Layer	PIERRE SHALE	1314	1314	4821	4197			
Hydrocarbon	SUSSEX	4821	4197	5490	4546			
Hydrocarbon	SHANNON	5490	4546	5543	4575			
Confining Layer	PIERRE SHALE	5543	4575	9836	6812			
Hydrocarbon	NIOBRARA	9836	6812	19457	6915			Btm MD=TD, Btm TVD=TVD @ BHL

OPERATOR COMMENTS AND SUBMITTAL

Comments: Revised the distance to the nearest non-operated well from 485' to 410', per operator. Distance to nearest wellbore belonging to another operator measured to the WALT 08W-20-01C (EXTRACTION / 05-123-45244 / XX). There are no other operator wells with treated interval less 175' from the treated interval of the proposed well. Distance measured in 2D map view.

This application is in a Comprehensive Area Plan No CAP #: _____
 Oil and Gas Development Plan Name _____ OGDP ID#: _____
 Location ID: 478497

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

Signed: _____ Print Name: JENNIFER LIND
 Title: VP REG & ENV Date: 1/27/2021 Email: JENNIFER.LIND@NICKELRO

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: 2/25/2021
Expiration Date: 02/24/2024

API NUMBER

05 123 51532 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.

COA Type

Description

Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 2 business days spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 408.j and provide cement coverage from the end of production casing to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered.

Best Management Practices

No BMP/COA Type

Description

1 Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2 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 to 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 horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
3 Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402576514	APD APPROVED
402584942	OffsetWellEvaluations Data
402584946	LEASE MAP
402584947	DEVIATED DRILLING PLAN
402584948	WELL LOCATION PLAT
402584949	DIRECTIONAL DATA
402610886	OFFSET WELL EVALUATION
402610896	FORM 2 SUBMITTED
402610901	PUBLIC COMMENT-0

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	02/25/2021
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Sundry doc #402591420 in Location #478497 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	02/24/2021
Engineer	Revised the distance to the nearest non-operated well from 485' to 410', per operator.	02/24/2021
Permit	Permitting Review Complete.	02/02/2021
Engineer	Offset Wells Evaluated.	02/02/2021

Total: 5 comment(s)

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:

402576518

Date Received:

01/27/2021

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: BLEHM WEST

Well Number: 8X-HNC-07-07-67

Name of Operator: NICKEL ROAD OPERATING LLC

COGCC Operator Number: 10669

Address: 1600 STOUT STREET SUITE 1850

City: DENVER

State: CO

Zip: 80202

Contact Name: JENNIFER LIND

Phone: (303)406-1117

Fax: ()

Email: JENNIFER.LIND@NICKELROADOPERATING.COM

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20200034

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 9 Twp: 7N Rng: 67W Meridian: 6

Footage at Surface: 545 Feet FNL/FSL 662 Feet FEL/FWL

Latitude: 40.594461 Longitude: -104.891015

GPS Data: GPS Quality Value: 2.0 Type of GPS Quality Value: PDOP Date of Measurement: 11/14/2020

Ground Elevation: 5088

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: 8 Twp: 7N Rng: 67W

Footage at TPZ: 482 FSL 460 FEL

Measured Depth of TPZ: 10617

True Vertical Depth of TPZ: 7015 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 7 Twp: 7N Rng: 67W

Footage at TPZ: 484 FSL 460 FWL

Measured Depth of TPZ: 19815

True Vertical Depth of TPZ: 7010 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 7 Twp: 7N Rng: 67W

Footage at BHL: 484 FSL 460 FWL

FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELD

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.? 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: 09/03/2020

Comments: 1041WOGLA20-0076

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.)

SEE ATTACHED LEASE MAP

Total Acres in Described Lease: 142 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 2071 Feet
Building Unit: 2071 Feet
Public Road: 533 Feet
Above Ground Utility: 502 Feet
Railroad: 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 Building is a Building Unit, enter same distance for both.
- Building Unit – as defined in 100 Series Rules.

Property Line: 524 Feet

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-2769	1280	SEC.7&8: 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: 460 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: 150 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: 19815 Feet TVD at Proposed Total Measured Depth 7010 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: 397 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? No

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	24	16	N/A	42	0	80	100	80	0
SURF	13+1/2	9+5/8	K55	36	0	1500	415	1500	0
1ST	8+1/2	5+1/2	HCP110	20	0	19815	2550	19815	1000

☐ 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	LARAMIE-FOX HILLS	0	0	139	139	1001-10000	Other	CSU - Domestic Water Analysis Report - Larry Moore Well - 176559
Groundwater	UPPER PIERRE	300	300	1314	1314	1001-10000	Other	Water Quality and the Presence and Origin of Methane in the Upper Pierre Aquifer in Northeastern Weld County, Morgan County and Logan County, Colorado COGCC Project Number 2141 October 2017
Confining Layer	PIERRE SHALE	1314	1314	4855	4209			
Hydrocarbon	SUSSEX	4855	4209	5542	4558			
Hydrocarbon	SHANNON	5542	4558	5598	4587			
Confining Layer	PIERRE SHALE	5598	4587	10010	6824			
Hydrocarbon	NIOBRARA	10010	6824	19815	7010			Btm MD=TD, Btm TVD=TVD @ BHL

OPERATOR COMMENTS AND SUBMITTAL

Comments: Distance from completed portion to nearest completed portion of wellbore permitted/completed in the same formation and subject to the proposed spacing order measured to the WALT 08W-20-01C (Extraction, XX, 05-123-45244). Please note, the portion of the proposed wellbore located within 150' of the offset operator wellbore will not be completed. Distances measured in 3D anti-collision.

This application is in a Comprehensive Area Plan No CAP #: _____
Oil and Gas Development Plan Name _____ OGDID #: _____
Location ID: 478497

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

Signed: _____ Print Name: JENNIFER LIND
Title: VP REG & ENV Date: 1/27/2021 Email: JENNIFER.LIND@NICKELRO

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: 2/25/2021

Expiration Date: 02/24/2024

API NUMBER

05 123 51527 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.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 2 business days spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 408.j and provide cement coverage from the end of production casing to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2	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 to 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 horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. 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 shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
3	Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402576518	APD APPROVED
402584960	OffsetWellEvaluations Data
402584962	LEASE MAP
402584963	DEVIATED DRILLING PLAN
402584964	WELL LOCATION PLAT
402584965	DIRECTIONAL DATA
402610880	OFFSET WELL EVALUATION
402610897	FORM 2 SUBMITTED
402610905	PUBLIC COMMENT-0

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	02/25/2021
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Sundry doc #402591420 in Location #478497 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	02/24/2021
Permit	Pending - requesting correction to distance to well. In Process - Operator provided corrected distance nearest well and comment. Permitting Review Complete.	02/02/2021
Engineer	Offset Wells Evaluated.	02/02/2021

Total: 4 comment(s)



Conveyance Document

Please note the following draft deed/assignment has been prepared by the seller in advance of sale. The successful buyer agrees to accept title to the lots pursuant to said deeds or assignments. Seller shall not be obligated or required to modify or change said deeds or assignments unless a correction is required to properly convey the interests being sold.

MINERAL AND ROYALTY DEED

GRANTOR:

GRANTEE: _____

Weld, CO

THIS PAGE ADDED TO PROVIDE SUFFICIENT SPACE FOR THE RECORDING
CLERK'S STAMP

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

MINERAL AND ROYALTY DEED

THE STATE OF COLORADO}

KNOW ALL MEN BY THESE PRESENTS: THAT

COUNTY OF WELD}

___ whose address is ___ ("Grantor"), for One Hundred Dollars (\$100.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby GRANTS, SELLS, CONVEYS, and ASSIGNS unto ___, whose Address is _____ ("Grantee"), **an undivided 100% of Grantors Right, Title and Interest acquired in that certain Mineral and Royalty Deed recorded at Instrument Number 4860669,** in and to the oil, gas, and mineral interests, royalty interests and other interests, in and under those certain lands ("Lands") described below and located in Weld County, Colorado:

Part of the Northeast Quarter (NE/4) described as Lot 9, Prairie Ridge Estates Subdivision MF-1053, according to the plat recorded July 6, 2005 at Reception No. 3300326 of Section 8, Township 7 North, Range 67 West, 6th P.M., Weld County, Colorado

LIMITED HOWEVER to such oil, gas, mineral interests, royalty interests, overriding royalty interests, and other interests in the Lands acquired by Grantor by that certain Mineral and Royalty Deed ("Tomahawk Deed") dated effective September 1, 2022, from Tomahawk Energy Management, LLC to ___, recorded as Instrument 4860669 of the Weld County Records of Weld County, Colorado;

Grantor expressly RESERVES from this conveyance all of Grantor's interest conveyed in the Tomahawk Deed, except those Lands described hereinabove. Grantor further excepts from this conveyance and reserves unto Grantor all of Grantor's right, title and interest in and to any after-acquired title, remainderman and reversionary interests.

This sale is made subject to all prior conveyances of mineral, royalty or wellbore interests of record, if any, and further subject to any rights now existing to any lessee or assigns under any valid and subsisting oil, gas, and mineral lease(s) of record heretofore executed; it being understood and agreed that said Grantee shall have, receive, and enjoy the herein-granted undivided interests in and to all royalties and other benefits which may accrue under the terms of said lease(s) insofar as the lease(s) covers the above-described interests from and after the Effective Date hereof.

Grantor agrees to execute such further assurances as may be necessary or requisite for the full and complete enjoyment of the rights herein granted. Grantor and Grantee agree to execute any Acts of Correction that may be necessary in the event the interests intended to be conveyed are not properly described.

TO HAVE AND TO HOLD the above-described interests and all other rights herein granted, all and singular, the rights and appurtenances thereto belonging or appertaining. The terms, covenants and conditions contained in this Mineral and Royalty Deed shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns. The interests conveyed herein are conveyed without warranty, express or implied, and all covenants that may arise under common law.

EXECUTED on the acknowledgment date below, but **EFFECTIVE** as of **January 1, 2023** (the "Effective Date"), and therefore Grantee is entitled to the interests conveyed hereby on and after the Effective Date, but not before. Notwithstanding the above, all ad valorem taxes and other property

Lot # 10083C

taxes attributable to the interests conveyed herein for the 2022 calendar year shall be the sole responsibility of Grantee. Grantee represents to Grantor that Grantee has considered the liability for such ad valorem taxes and property taxes in determining the consideration paid herein.

GRANTOR: _____

STATE OF _____ }
COUNTY OF _____ } SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 20 22,
by _____.

My Commission expires:

Notary Public

MINERAL AND ROYALTY DEED

GRANTOR:

GRANTEE:

Howard Co., TX

THIS PAGE ADDED TO PROVIDE SUFFICIENT SPACE FOR THE RECORDING
CLERK'S STAMP

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

MINERAL AND ROYALTY DEED

THE STATE OF TEXAS}

KNOW ALL MEN BY THESE PRESENTS: THAT

COUNTY OF HOWARD}

____, whose address is ____ ("Grantor"), for One Hundred Dollars (\$100.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby GRANTS, SELLS, CONVEYS, and ASSIGNS unto ____ whose address is ____ ("**Grantee**"), **an undivided 100% of Grantors Right, Title and Interest acquired in that certain Mineral and Royalty Deed Effectively Dated September 1, 2022,** in and to the oil, gas, and mineral interests, royalty interests and other interests, in and under those certain lands ("Lands") described below and located in Howard County, Texas:

CALLON PETROLEUM – GIBSON 28-21 UNIT being 651-40 acres, more or less, the Declaration of Pooled Unit being recorded in Volume 1751, Page 780, and all amendments thereto, if any, of the Official Public Records of Howard County, Texas, and covering lands in Section 21, block 33, Township 3 North, T&P RR. Co. survey, A-344 and Section 28, Block 33, Township 3 North, T&P RR. Co. survey, A-1237, Howard County, Texas. Reference is made to said real property records for descriptive purposes only and shall not limit this conveyance to any particular depths.

LIMITED HOWEVER to such oil, gas, mineral interests, royalty interests, overriding royalty interests, and other interests in the Lands acquired by Grantor by that certain Mineral and Royalty Deed ("Tomahawk Deed") dated effective September 1, 2022, from Tomahawk Energy Management, LLC to ____, recorded as instrument number 2022-00009285, Volume 2115, Page 810 of the Official Public Records of Howard County, Texas;

Grantor expressly RESERVES from this conveyance all of Grantor's interest conveyed in the Tomahawk Deed, except those Lands described hereinabove. Grantor further excepts from this conveyance and reserves unto Grantor all of Grantor's right, title and interest in and to any after-acquired title, remainderman and reversionary interests.

This sale is made subject to all prior conveyances of mineral, royalty or wellbore interests of record, if any, and further subject to any rights now existing to any lessee or assigns under any valid and subsisting oil, gas, and mineral lease(s) of record heretofore executed; it being understood and agreed that said Grantee shall have, receive, and enjoy the herein-granted undivided interests in and to all royalties and other benefits which may accrue under the terms of said lease(s) insofar as the lease(s) covers the above-described interests from and after the Effective Date hereof.

Grantor agrees to execute such further assurances as may be necessary or requisite for the full and complete enjoyment of the rights herein granted. Grantor and Grantee agree to execute any Acts of Correction that may be necessary in the event the interests intended to be conveyed are not properly described.

TO HAVE AND TO HOLD the above-described interests and all other rights herein granted, all and singular, the rights and appurtenances thereto belonging or appertaining. The terms, covenants and

Lot #10083T

conditions contained in this Mineral and Royalty Deed shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns.

The interests conveyed herein are conveyed without warranty, express or implied, and all covenants that may arise under common law or the statutory implied covenants contained in Section 5.023 of the Texas Property Code are hereby disclaimed.

EXECUTED on the acknowledgment date below, but **EFFECTIVE** as of **January 1, 2023** (the "Effective Date"), and therefore Grantee is entitled to the interests conveyed hereby on and after the Effective Date, but not before. Notwithstanding the above, all ad valorem taxes and other property taxes attributable to the interests conveyed herein for the 2023 calendar year shall be the sole responsibility of Grantee. Grantee represents to Grantor that Grantee has considered the liability for such ad valorem taxes and property taxes in determining the consideration paid herein.

GRANTOR: _____

STATE OF _____ }
COUNTY OF _____ } SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 20 22,
by _____

My Commission Expires:

Notary Public