

**APPLICATION FOR PERMIT TO:**

**Drill**       Deepen       Re-enter       Recomplete and Operate

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_      Refilling

ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES       Sidetrack

Date Received:

Well Name: HOMESTEAD      Well Number: 7

Name of Operator: VERDAD RESOURCES LLC      COGCC Operator Number: 10651

Address: 5950 CEDAR SPRINGS ROAD

City: DALLAS      State: TX      Zip: 75235

Contact Name: KENNY TRUEAX      Phone: (720)651-8409      Fax: ( )

Email: REGULATORY@VERDADOIL.COM

**RECLAMATION FINANCIAL ASSURANCE**

Plugging and Abandonment Bond Surety ID: 20170009

**WELL LOCATION INFORMATION**

QtrQtr: NWSE      Sec: 34      Twp: 1N      Rng: 66W      Meridian: 6

Latitude: 40.007200      Longitude: -104.758940

Footage at Surface: 2445 Feet      FNL/FSL      FSL      1422 Feet      FEL/FWL      FEL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 5137      County: WELD

GPS Data:

Date of Measurement: 07/24/2015      PDOP Reading: 1.6      Instrument Operator's Name: MILLER

If well is  Directional       Horizontal (highly deviated)      **submit deviated drilling plan.**

Footage at Top of Prod Zone:      FNL/FSL      FEL/FWL      Bottom Hole:      FNL/FSL      FEL/FWL

2181      FSL      1956      FWL      460      FSL      1553      FWL

Sec: 34      Twp: 1N      Rng: 66W      Sec: 10      Twp: 1S      Rng: 66W

**LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT**

Surface Ownership:  Fee       State       Federal       Indian

The Surface Owner is:  is the mineral owner beneath the location.  
(check all that apply)  is committed to an Oil and Gas Lease.  
 has signed the Oil and Gas Lease.  
 is the applicant.

The Mineral Owner beneath this Oil and Gas Location is:  Fee       State       Federal       Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: \_\_\_\_\_      Surface Surety ID: \_\_\_\_\_

## LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

T1S-R66W-SEC.3: ALL; T1N-R66W-SEC.34: S/2

Total Acres in Described Lease: 960 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1080 Feet  
Building Unit: 1351 Feet  
High Occupancy Building Unit: 3242 Feet  
Designated Outside Activity Area: 5280 Feet  
Public Road: 1469 Feet  
Above Ground Utility: 1373 Feet  
Railroad: 5280 Feet  
Property Line: 200 Feet

### INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- 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, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

## DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a:  Buffer Zone  
 Exception Zone  
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: \_\_\_\_\_

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: \_\_\_\_\_

## SPACING and UNIT INFORMATION

Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 191 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

SPACING APPLICATION IN PROCESS – DOCKET #171200833  
PROPOSED SPACING UNIT CONFIGURATION:  
T1S-R66W-SEC.3: ALL, SEC.10: W/2, T1N-R66W-SEC.34: S/2

## 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		1280	3-ALL;10-W2;34-S2

## DRILLING PROGRAM

Proposed Total Measured Depth: 20093 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: 307 Feet  No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)

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

## GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

## DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

PLEASE SEE WASTE MANAGEMENT PLAN ATTACHED TO ASSOCIATED FORM 2A.

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: \_\_\_\_\_ or Document Number: \_\_\_\_\_

## CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	16	65	0	80	70	80	0
SURF	13+1/2	9+5/8	36	0	1700	462	1700	0
1ST	8+1/2	5+1/2	20	0	20093	2478	20093	0

Conductor Casing is NOT planned

## DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

## GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

## RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number \_\_\_\_\_

### OTHER LOCATION EXCEPTIONS

Check all that apply:

Rule 318.c. Exception Location from Rule or Spacing Order Number \_\_\_\_\_

Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

### OPERATOR COMMENTS AND SUBMITTAL

Comments This Form 2 refile is being submitted to extend the BHL of the proposed horizontal wellbore. New well location plat, updated offset well evaluation, deviated drilling plan, directional data and casing / Cement information is provided with this Form 2 refile. No changes are proposed to the SHL or Landing Point at this time.

The nearest existing non-op well is the Bergman #2 (PA, Merrit, API: 05-001-06524) as measured from COGCC GIS data.

Rule 318A.a is consented to in the attached SUA, see last sentence of Section 1.

This application is in a Comprehensive Drilling Plan No CDP #: \_\_\_\_\_

Location ID: 450069

Is this application being submitted with an Oil and Gas Location Assessment application? No

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: REGULATORY ANALYST Date: \_\_\_\_\_ Email: JLIND@VERDADOIL.COM

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

COGCC Approved: \_\_\_\_\_ Director of COGCC Date: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

<b>API NUMBER</b>
05 123 44642 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>

## Best Management Practices

<b>No</b>	<b>BMP/COA Type</b>	<b>Description</b>
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	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.
3	Drilling/Completion Operations	317.p 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 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 "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.

Total: 3 comment(s)

### Attachment Check List

<b>Att Doc Num</b>	<b>Name</b>
401544473	OffsetWellEvaluations Data
401544475	WELL LOCATION PLAT
401544476	DEVIATED DRILLING PLAN
401545483	DIRECTIONAL DATA
401545486	SURFACE AGRMT/SURETY

Total Attach: 5 Files

### General Comments

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

Total: 0 comment(s)

**Public Comments**

No public comments were received on this application during the comment period.

