

FORM
2A

Rev
06/19

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:

401586681

Date Received:

04/27/2018

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: _____

This Oil and Gas Location Assessment is to be submitted to the COGCC for approval prior to any ground disturbance activity associated with oil and gas operations. Approval of this Oil and Gas Location Assessment will allow for the construction of the below specified Location; however, it does not supersede any land use rules applied by the local land use authority. Please see the COGCC website at <http://cogcc.state.co.us/> for all accompanying information pertinent this Oil and Gas Location Assessment.

Location ID:

466345

Expiration Date:

07/29/2022

This location assessment is included as part of a permit application.

CONSULTATION

- This location is included in a Comprehensive Drilling Plan. CDP # _____
- This location is in a sensitive wildlife habitat area.
- This location is in a wildlife restricted surface occupancy area.
- This location includes a Rule 306.d.(1)A.ii. variance request.

Operator

Operator Number: 10651
 Name: VERDAD RESOURCES LLC
 Address: 5950 CEDAR SPRINGS ROAD
 City: DALLAS State: TX Zip: 75235

Contact Information

Name: Kenny Trueax
 Phone: (720) 845-6917
 Fax: ()
 email: Regulatory@verdadoil.com

FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID (Rule 706): 2017009 Gas Facility Surety ID (Rule 711): _____
- Waste Management Surety ID (Rule 704): _____

LOCATION IDENTIFICATION

Name: Boydston Number: 3535
 County: WELD
 Quarter: NWNW Section: 35 Township: 9N Range: 60W Meridian: 6 Ground Elevation: 4945
 Define a single point as a location reference for the facility location. When the location is to be used as a well site then the point shall be a well location.
 Footage at surface: 361 feet FNL from North or South section line
 323 feet FWL from East or West section line
 Latitude: 40.712886 Longitude: -104.067521
 PDOP Reading: 1.5 Date of Measurement: 03/14/2018
 Instrument Operator's Name: Joe DiGregorio

LOCAL GOVERNMENT INFORMATION

County: WELD Municipality: N/A

CONSTRUCTION

Date planned to commence construction: 11/01/2019 Size of disturbed area during construction in acres: 6.50
Estimated date that interim reclamation will begin: 05/01/2020 Size of location after interim reclamation in acres: 4.40
Estimated post-construction ground elevation: 4945

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: Yes

Is H₂S anticipated? No

Will salt sections be encountered during drilling: No

Will salt based mud (>15,000 ppm Cl) be used? No

Will oil based drilling fluids be used? Yes

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Method: Commercial Disposal

Cutting Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

Centralized E&P Waste Management Facility ID, if applicable: _____

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Mike Shull Living Trust

Phone: _____

Address: 53004 County Road 100

Fax: _____

Address: _____

Email: _____

City: Grover State: CO Zip: 80729

Surface Owner: Fee State Federal Indian

Check all that apply. The Surface Owner: is the mineral owner

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 from or produced to this Oil and Gas Location: Yes

The right to construct this Oil and Gas Location is granted by: Surface Use Agreement

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

Date of Rule 306 surface owner consultation _____

CURRENT AND FUTURE LAND USE

Current Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP

Non-Crop Land: Rangeland Timber Recreational Other (describe): _____

Subdivided: Industrial Commercial Residential

Future Land Use (Check all that apply):

- Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP
- Non-Crop Land: Rangeland Timber Recreational Other (describe): _____
- Subdivided: Industrial Commercial Residential

CULTURAL DISTANCE INFORMATION

Provide the distance to the nearest cultural feature as measured from Wells or Production Facilities onsite.

	From WELL	From PRODUCTION FACILITY
Building:	2705 Feet	2377 Feet
Building Unit:	2978 Feet	2653 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	262 Feet	104 Feet
Above Ground Utility:	240 Feet	80 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	260 Feet	104 Feet
School Facility::	5280 Feet	5280 Feet
School Property Line:	5280 Feet	5280 Feet
Child Care Center:	5280 Feet	5280 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of nearest Well or edge of nearest Production Facility to nearest of each cultural feature as described in Rule 303.b.(3)A.
- 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, Designated Outside Activity Area, School Facility, and Child Care Center – as defined in 100 Series Rules.
- For measurement purposes only, Production Facilities should only include those items with an asterisk(*) on the Facilities Tab.

SCHOOL SETBACK INFORMATION

Was Notice required under Rule 305.a.(4)? Yes No

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.
- Large UMA Facility – 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: _____

FOR MULTI-WELL PADS AND PRODUCTION FACILITIES WITHIN DESIGNATED SETBACK LOCATIONS ONLY:

Check this box if this Oil and Gas Location has or will have Production Facilities that serve multiple wells (on or offsite) and the Production Facilities are proposed to be located less than 1,000 feet from a Building Unit. *(Pursuant to Rule 604.c.(2)E.i., the operator must evaluate alternative locations for the Production Facilities that are farther from the Building Unit, and determine whether those alternative locations were technically feasible and economically practicable for the same proposed development.)*

By checking this box, I certify that no alternative placements for the Production Facilities, farther from the nearest Building Unit, were available based on the analysis conducted pursuant to Rule 604.c.(2)E.i.

In the space below, explain rationale for siting the multi-well Production Facility(ies) that supports your Rule 604.c.(2)E.i determination. Attach documentation that supports your determination to this Form 2A.

SOIL All soil map units that occur within the proposed location. attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to used when segregating topsoil.

The required information can be obtained from the NRCS web site at <http://soildatamart.nrcs.usda.org/> or from the COGCC web site GIS Online map page found at <http://colorado.gov/cogcc>. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: Map Unit 41: Nunn clay loam, 0 to 6 percent slopes

NRCS Map Unit Name: Map Unit 31: Kim-Mithchell complex, 0 to 6 percent slopes

NRCS Map Unit Name: Map Unit 27: Epping silt loam, 0 to 9 percent slopes

PLANT COMMUNITY:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes No

Plant species from: NRCS or, field observation Date of observation: _____

List individual species: Western wheatgrass, blue grama, green needlegrass, alkali sacaton, fourwing saltbush, winterfat

Check all plant communities that exist in the disturbed area.

- Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
- Native Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
- Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
- Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
- Mountain Riparian (Cottonwood, Willow, Blue Spruce)
- Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
- Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
- Alpine (above timberline)
- Other (describe): _____

WATER RESOURCES

Is this a sensitive area: No Yes

Distance to nearest

downgradient surface water feature: 909 Feet

water well: 2761 Feet

Estimated depth to ground water at Oil and Gas Location 36 Feet

Basis for depth to groundwater and sensitive area determination:

Depth to groundwater was determined from Water Well Permit 200307

Is the location in a riparian area: No Yes

Was an Army Corps of Engineers Section 404 permit filed No Yes If yes attach permit.

Is the location within a Rule 317B Surface Water Supply Area buffer No zone:

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: _____

Is the Location within a Floodplain? No Yes Floodplain Data Sources Reviewed (check all that apply)

Federal (FEMA)

State

County

Local

Other _____

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

WILDLIFE

This location is included in a Wildlife Mitigation Plan

This location was subject to a pre-consultation meeting with CPW held on _____

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

Rule 604.a.(1)A. Exception Zone (within 500' of a Building Unit) and is in an Urban Mitigation Area

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)

RULE 502.b VARIANCE REQUEST

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

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 SUBMITTALS Application with Weld County that addresses site safety and contains an emergency action and tactical response plan. Each location is assigned a physical address for emergency responders to locate the site in the event of an emergency.

Please contact Tishany Jenkins at 303-942-0506 or at tjenkins@upstreampm.com if there are any questions with regards to this permit.

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

Signed: _____ Date: 04/27/2018 Email: tjenkins@upstreampm.com

Print Name: Tishany Jenkins Title: Permit Agent

Based on the information provided herein, this Oil and Gas Location Assessment complies with COGCC Rules, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved:  _____ Director of COGCC Date: 7/30/2019

Conditions Of Approval

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

<u>COA Type</u>	<u>Description</u>
	Operator will implement effective, temporary vehicle tracking control at the location egress to prevent transport of sediment offsite and onto the public road during construction, drilling, completions, stimulation, and flowback operations. Appropriate vehicle tracking control, such as a properly sized cattle guard, will still be required during production operations.

Best Management Practices

No	BMP/COA Type	Description
1	General Housekeeping	Cleanup of trash, scrap, and discarded materials will be conducted at the end of each workday.
2	Storm Water/Erosion Control	Storm Water Stormwater management plans (SWMP) will be in place to address construction, drilling, and operations associated with CDPHE permits. BMPs for stormwater will be implemented around the perimeter of the pad prior to or during construction and will vary according to the location. These BMPs will remain in place and maintained throughout operations until final reclamation.
3	Material Handling and Spill Prevention	Drip pans will be used during fueling of equipment to contain spills and leaks. AVO (Audio, Visual, Olfactory) inspections of pipe and connections will be performed daily on production equipment to detect leaks which will be immediately corrected, repaired and reported to COGCC as required. Spill prevention Control Countermeasure (SPCC) will be in place to address any possible spill associated with oil and gas operations. All spills will be immediately cleaned up and will be reported if volume exceeds reporting limit. Containment will be used during fueling of equipment to contain spills and leaks during all phases of operations.
4	Material Handling and Spill Prevention	During drilling operations, we anticipate 4-5 loads, @ 20 yards per load, of cuttings per day will be transported off-site to an approved disposal facility in accordance with Operator's waste management plan. All loads leaving the location will have a manifest and will be documented. Water-based and Oil-based cuttings will be disposed of offsite and at a licensed, commercial disposal site. No cuttings will be stored on location.
5	Dust control	To prevent dust from becoming a nuisance to the public, water trucks will be utilized to spread water across any dust problem areas.
6	Construction	Berm Construction: Tank secondary containment will be impervious lined steel berms with capacity > 150% volume of the largest tank. Pad will also have tertiary containment of ditch and berm to prevent any spills from leaving site.
7	Emissions mitigation	Test separators and associated flow lines, sand traps and emission control systems shall be installed on-site to accommodate green completions techniques. When commercial quantities of salable quality gas are achieved at each well, the gas shall be immediately directed to a sales line or shut in and conserved. If a sales line is unavailable or other conditions prevent placing the gas into a sales line, the operator shall not produce the wells without an approved variance per Rule 805.b.(3)C.
8	Drilling/Completion Operations	Verdad plans to use a Modular Large Volume Tank (MLVT). The planned tank is a 36K BBL tank approximately 148' in diameter. The MLVT is manufactured by Big Holdings and will be supplied and set up by a third-party vendor. Verdad will follow the COGCC guidance policy dated June 13, 2014 on the use of MLVTs. The MLVT will be on site for approximately 30 days during completion operations.
9	Final Reclamation	P&A'd wells will be identified and marked pursuant to 319.a.(5). Within 90-day subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site.

Total: 9 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2478919	NRCS MAP UNIT DESC
2478920	NRCS MAP UNIT DESC
2478921	CORRESPONDENCE
2479105	CORRESPONDENCE
2479116	OBJECTIVE CRITERIA REVIEW MEMO
401586681	FORM 2A SUBMITTED
401615535	ACCESS ROAD MAP
401615541	HYDROLOGY MAP
401615543	LOCATION DRAWING
401615547	LOCATION PICTURES
401615549	MULTI-WELL PLAN
401615551	NRCS MAP UNIT DESC
401615553	REFERENCE AREA MAP
401615565	REFERENCE AREA PICTURES
401623363	SURFACE AGRMT/SURETY

Total Attach: 15 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	Operator confirmed they have submitted a WOGLA to Weld County.	07/30/2019
Permit	Permitting review complete, passed Final Review.	07/23/2019
Permit	With operator concurrence, the Distances to Nearest Public Road and Above Ground Utility were corrected to 262 ft. and 240 ft. respectively.	07/23/2019
Permit	Corrected Plugging and Abandonment Bond Surety ID Number to 20170009 per operator request.	07/10/2019
OGLA	The Objective Criteria Review Memo (Doc #2479106) is attached to this Form 2A. Following additional analysis arising out of the Objective Criteria, the Director determined that this application meets the standard for the protection of public health, safety, welfare, the environment and wildlife resources set by SB 19-181.	07/10/2019
OGLA	COGCC staff conducted its technical review of this Form 2A Oil & Gas Location Assessment within the context of SB 19-181 and the required Objective Criteria. This Form 2A met Objective Criteria #8 - Oil and Gas Location with storage of hydrocarbon or produced liquid in more than 18 tanks or in excess of 5,200 barrels.	07/10/2019
OGLA	Operator provided the Local Government information and the cultural distances to the nearest school facility, school property line, and child care center. Operator provided additional BMPs for spill prevention, leak detection, and tank battery containment. Operator provided updated construction start and interim reclamation start dates.	07/08/2019
OGLA	IN PROCESS - Operator revised the distances from the nearest well to the nearest Public Road, Above Ground Utility, and Property Line & provided additional NRCS Map Unit Description attachments. OGLA review completed and task passed.	12/03/2018
OGLA	ON HOLD - Requested operator revise the distances from the nearest well to the nearest Public Road, Above Ground Utility, and Property Line & provide additional NRCS Map Unit Description attachments. Due by 7/12/18.	06/12/2018
LGD	This proposed oil and gas facility is in the Agricultural Zoned District of unincorporated Weld County. A Weld Oil and Gas Location Assessment (WOGLA) is required prior to constructing any improvements related to oil and gas exploration and production and prior to the issuance of any building permits. A building permit is required for the production facilities (tank battery, separators, pump jacks, compressors, generators, etc.) from the Department of Planning Services. Access points from County roads require an Access Permit from the Department of Public Works, which includes any necessary traffic control plans and Improvement Agreements. The use of County right-of-way requires a permit from the Department of Public Works. Troy Swain, Weld Oil/Gas Liaison and LGD (970) 400-3579.	05/22/2018
Permit	Passed Completeness.	05/07/2018

Total: 11 comment(s)