

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:

402098683

**(SUBMITTED)**

Date Received:

## 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:

Expiration Date:

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: Heather Mitchell  
 Phone: (720) 845-6917  
 Fax: ( )  
 email: regulatory@verdadoil.com

### FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID (Rule 706): 20170009     Gas Facility Surety ID (Rule 711): \_\_\_\_\_
- Waste Management Surety ID (Rule 704): \_\_\_\_\_

### LOCATION IDENTIFICATION

Name: KBL    Number: 02N-63-19  
 County: WELD  
 Quarter: NWSE    Section: 19    Township: 2N    Range: 63W    Meridian: 6    Ground Elevation: 4863

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: 1807 feet FSL from North or South section line  
2096 feet FEL from East or West section line  
 Latitude: 40.121608    Longitude: -104.478337

PDOP Reading: 1.4    Date of Measurement: 06/15/2019

Instrument Operator's Name: Preston Knutsen

### LOCAL GOVERNMENT INFORMATION

County: WELD    Municipality: N/A

Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."

The local government with jurisdiction is: County

Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this COGCC application? If the local government has waived its right to precede the COGCC in siting determination, indicate by selecting "NO" here and selecting "Waived" below.  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 local government siting permit type is: 1041 WOGLA

The local government siting permit was filed on: \_\_\_\_\_

The disposition of the application filed with the local government is: Waived

Additional explanation of local process:

The 1041 WOGLA has not yet been filed.

### RELATED REMOTE LOCATIONS

(Enter as many Related Locations as necessary. Enter the Form 2A document # only if there is no established COGCC Location ID#)

**This proposed Oil and Gas Location is:**                      **LOCATION ID #**                      **FORM 2A DOC #**                     

### FACILITIES

Indicate the number of each type of oil and gas facility planned on location

Wells	<u>12</u>	Oil Tanks*	<u>24</u>	Condensate Tanks*	<u>0</u>	Water Tanks*	<u>12</u>	Buried Produced Water Vaults*	<u>0</u>
Drilling Pits	<u>0</u>	Production Pits*	<u>0</u>	Special Purpose Pits	<u>0</u>	Multi-Well Pits*	<u>0</u>	Modular Large Volume Tanks	<u>1</u>
Pump Jacks	<u>0</u>	Separators*	<u>12</u>	Injection Pumps*	<u>0</u>	Cavity Pumps*	<u>0</u>	Gas Compressors*	<u>1</u>
Gas or Diesel Motors*	<u>0</u>	Electric Motors	<u>0</u>	Electric Generators*	<u>0</u>	Fuel Tanks*	<u>0</u>	LACT Unit*	<u>0</u>
Dehydrator Units*	<u>0</u>	Vapor Recovery Unit*	<u>2</u>	VOC Combustor*	<u>4</u>	Flare*	<u>0</u>	Pigging Station*	<u>0</u>

### OTHER FACILITIES\*

**Other Facility Type** **Number**

Heater Treater	2
Meter Building	1

\*Those facilities indicated by an asterisk (\*) shall be used to determine the distance from the Production Facility to the nearest cultural feature on the Cultural Setbacks Tab.

Per Rule 303.b.(3)C, description of all oil, gas, and/or water pipelines:

The majority of flowlines will be Schedule 80 FBE welded steel including: (12) 3" flowlines from the wellheads to the separators, (12) 3" gas injection lines from the compressor to the wellheads, (12) 2" dump lines from the separators to the tanks, and (12) 1" gas supply lines from the wellheads to the separators. Poly will be utilized to supply gas to the tubing motor valves, including (12) 1" lines from the separators to the motor valves on the wellheads.

Gas gatherers are near the proposed pad and Verdad will work with the appropriate parties to ensure a timely gas gathering connection.

## CONSTRUCTION

Date planned to commence construction: 10/01/2019 Size of disturbed area during construction in acres: 13.35  
Estimated date that interim reclamation will begin: 04/01/2020 Size of location after interim reclamation in acres: 3.39  
Estimated post-construction ground elevation: 4863

## DRILLING PROGRAM

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

Is H<sub>2</sub>S 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? No

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

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

## SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Kauffman Brothers Lp Phone: \_\_\_\_\_

Address: 8616 County Rd 63 Fax: \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

City: Keenesburg State: CO Zip: 80643

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 04/24/2019

## 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:	1426 Feet	1380 Feet
Building Unit:	1470 Feet	1451 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	850 Feet	578 Feet
Above Ground Utility:	1324 Feet	814 Feet
Railroad:	720 Feet	449 Feet
Property Line:	512 Feet	344 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 (onl 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**

List 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: 44—Olney loamy sand, 1 to 3 percent slopes

NRCS Map Unit Name: 49—Osgood sand, 0 to 3 percent slopes

NRCS Map Unit Name: 70—Valent sand, 3 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:

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): \_\_\_\_\_



## 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 SUBMITTAL

Comments: The KBL 1918-06H is the reference well used for the location identification. The distances for the cultural setbacks were provided from the nearest proposed well and production facility on the pad.

Verdad will provide a land application Facility # or beneficial reuse ID prior to drilling and disposal of water based cuttings or fluids via a From 4 Sundry.

Rule 306 consultation was waived by surface owner - please see section 8 on page 3 of attached surface use agreement.

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

Signed: \_\_\_\_\_ Date: \_\_\_\_\_ Email: regulatory@verdadoil.com

Print Name: Heather Mitchell Title: Regulatory Manager

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: \_\_\_\_\_

## 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.**

### COA Type

### Description

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Verdad will submit a WOGLA 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.
2	General Housekeeping	Cleanup of trash, scrap, and discarded materials will be conducted at the end of each workday.
3	General Housekeeping	Mud control: 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.
4	Storm Water/Erosion Control	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.
5	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.

6	Material Handling and Spill Prevention	Containment will be used during fueling of equipment to contain spills and leaks all phases of operations. Spill prevention Control Countermeasure (SPCC) will be in place to address any spills associated with oil and gas operations. 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. Any spills will be immediately cleaned up and reported if volume exceeds reporting limit.
7	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.
8	Construction	MLVT Size is 120'DX14'H and the volume is 25,000 BBLS. Vendor/Manufacture will be Select Energy Services. It will be on location for 45 days during completion operations. Verdad will follow the COGCC guidance policy dated June 13, 2014 on the use of MLVTs.
9	Noise mitigation	Operator will consult with owners of residents and occupied structures and other stakeholders to reduce impact of noise and light during drilling and completion operations. The direction of prevailing winds is considered when planning the location in order to mitigate odor and noise from being a nuisance to the surrounding residents and occupied structures. In order to minimize sound levels during drilling operations at nearby residences, rig generators will be located as far as possible from the residence by rig orientation. Rig lighting will also be directed away from residential units.
10	Noise mitigation	Temporary straw bale walls or sound walls will be constructed and the utilization of "quiet" frac/axillary equipment will be constructed and utilized to dampen noise in the direction of residential units
11	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.
12	Emissions mitigation	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.
13	Odor mitigation	To reduce odors during drilling and completion, the rig will be washed of oily debris before moving in. D822 is our base fluid which is a distillate and has the benefits of lower BTEX levels and is recognized as having lower odor than traditional oil based mud. We will utilize drying shakers which will minimize residual oil on cuttings prior to transport and will promptly remove 4-5 loads of cuttings per day during drilling operations which should help to reduce odors.

Total: 13 comment(s)

### **Attachment Check List**

<b>Att Doc Num</b>	<b>Name</b>
402098699	HYDROLOGY MAP
402098700	MULTI-WELL PLAN
402098701	REFERENCE AREA MAP
402098702	REFERENCE AREA PICTURES
402098703	LOCATION PICTURES
402099332	SURFACE AGRMT/SURETY
402105889	NRCS MAP UNIT DESC
402108119	LOCATION DRAWING
402113419	ACCESS ROAD MAP
402113422	FACILITY LAYOUT DRAWING
402133837	FACILITY LAYOUT DRAWING

Total Attach: 11 Files

## General Comments

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

Total: 0 comment(s)



**Public Comments**

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

