

**Objective Criteria Review Memo ADDENDUM - Verdad Resources LLC
KBL 1918-01H -- Form 2 Application for Permit to Drill (APD) Doc# 402098569**

Approved Form 2A Oil & Gas Location Assessment (KBL 02N-63-19 Doc# 402098683, approved 2/7/2020)

Location ID# 471229

The Form 2A for this Oil & Gas Location was reviewed for all 12 wells proposed for this Location. COGCC's technical review of the 2A and all 12 APDs included review within the context of SB 19-181 and the required Objective Criteria. Objective Criteria Review Memo, Doc# 2479204, is in the Location's file in COGCC's database.

Delayed Approval of APDS:

The Form 2A for this location was approved on 2/7/2020. These 11 APDs did not pass Completeness until 2/11/2020.

The Objective Criteria Review Memo for this location (Doc# 2479204) identified that this location met Criteria #1 for one building unit with 1500', Criteria #3 for being located within 1500' of the Weld County - Keenesburg boundary, Criteria #5c for potential for shallow groundwater, distance to nearest surface water feature, and being located in the Lost Creek Designated Groundwater Management Area, & Criteria #8 for having planned tanks volume onsite over 5200 bbls. The Objective Criteria Review Memo identified BMPs on the Form 2A that should successfully mitigate against the impacts identified by meeting Criteria #1, #3, #5c, & #8, including:

Criteria 1

Verdad committed to the following BMPs to mitigate the effects of the drilling and completions activities to the nearby building unit: sound wall or hay bale wall on the west side of the location, lower odor drilling mud, "quiet frac" fleet, lighting directed away from building units, and dust controls on the access roads.

Further follow-up with the Operator determined that a 32' sound wall on the west side of the location was the decided upon noise mitigation measure.

Criteria 3

Verdad notified the Town of Keenesburg during the WOGLA permitting process and Keenesburg did not have any comments or concerns regarding this location.

Criteria 5c & 8

Verdad has the following BMPs in place to mitigate possible impacts to water resources: remote shut-in/monitoring capabilities, lined containment for tank area, steel berm containment for separator areas, liner and containment under rig and mud tank areas, leak detection inspections, and stormwater management controls.

Based on this analysis, the Operator is complying with the existing BMP's and COA's on the approved Form 2A to address the Objective Criteria that were met during the original review of the Form 2A and no further Sundry or Memo is necessary at this time. The APD's IN PROCESS should be passed and sent to Final Approval with the following comment:

COGCC conducted the technical review for the related Oil and Gas Location Assessment permit, Form 2A document #402098683 under the statutory authority provided through SB 19-181, including the Objective Criteria. The Director approved the Form 2A on 2/7/2020, establishing Location ID #471229 subject to conditions included in the permit. The well proposed by this related Form 2 was contemplated during COGCC's review of the Form 2A. The Objective Criteria Review Memo (Doc# 2479204) can be found in the document file for this Location.