

**Objective Criteria Review Memo ADDENDUM - Verdad Resources LLC
County Line 3130-01H -- Form 2 Application for Permit to Drill (APD) Doc# 402099155**

Approved Form 2A Oil & Gas Location Assessment (County Line Pad Doc# 402092786, approved 4/2/2020)

Location ID# 474767

The Form 2A for this Oil & Gas Location was reviewed for all 32 wells proposed for this Location. COGCC's technical review of the 2A and all six submitted APDs included review within the context of SB 19-181 and the required Objective Criteria. Objective Criteria Review Memo, Doc# 2316639, is in the Location's file in COGCC's database. This Addendum provides additional information regarding the delayed approvals of the six APDs permitted at this Location.

Delayed Approval of APDS:

The Form 2A for this location was approved on 4/2/2020. These APDs did not pass Completeness until 4/9/2020.

The Objective Criteria Review Memo for this location (Doc# 2316639) identified that this location met Criteria #1 for having building units within 1500' of the location (closest building unit is 550' away), Criteria #3 for being 1500' from the Weld County-Adams County border and the Weld County-Lochbuie border, Criteria #5c for estimated shallow groundwater and distance to nearest surface water feature, Criteria #6 for being located within a mapped sensitive wildlife habitat and restricted surface occupancy area for a Bald Eagle nest, & Criteria #8 for being planned to have 32 oil tanks and 16 water tanks. 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, #6 & #8, including:

Criteria 1

Verdad held a community meeting that led to the changing of planned operations from two locations to a single consolidated pad and reduced the planned tank counts in half. Verdad also provided the following BMPs to mitigate having a location within 1500' of building units: sound walls on the north and east sides of the location, a quiet frac fleet for completions operations, dust control measures, low VOC oil-based drilling mud, pipeline takeaway for oil and gas, and provided Health Study Fact Sheets to all building unit residents within 2000'.

Criteria 3

Adams County and Lochbuie were contacted regarding the proposed Location. Adams County communicated to Verdad, while Lochbuie declined to comment.

Criteria 5c & 8

Verdad has the following BMPs in place to mitigate having a location with estimated shallow groundwater and distance to nearby surface water features: lined containment for tank area, daily site inspections, install two groundwater monitoring wells (COGCC COA increased the number of monitoring wells to three) for quarterly sampling, stormwater controls and inspections, assurances that total tank

count will be reduce as the location is developed, remote monitoring/shut-in capabilities, and an emergency response plan.

Criteria 6

Colorado Parks and Wildlife commented that after field observations it was determined that the Bald Eagle nest was dilapidated and no longer in use. CPW therefore had no further concerns regarding this location.

Public Comments

The APDs each received a comment from the East Cherry Creek Valley Water and Sanitation District Northern Water Supply Project (ECCV) requesting additional scrutiny and protection of water resources. This comment was also placed on the approved Form 2A and addressed in the Public Comment Consideration Memo (Doc# 2316640) saved in the file for Oil and Gas Location ID# 474767.

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 #402092786 under the statutory authority provided through SB 19-181, including the Objective Criteria. The Director approved the Form 2A on 4/2/2020, establishing Location ID #474767 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# 2316639) can be found in the document file for this Location.