

**Objective Criteria Review Memo ADDENDUM - Verdad Resources LLC
Onion 1918-01H -- Form 2 Application for Permit to Drill (APD) Doc# 402050605**

Approved Form 2A Oil & Gas Location Assessment (Onion-Berg-Gourd Pad Doc# 402050566, approved 1/21/2020)

Location ID# 470925

The Form 2A for this Oil & Gas Location was reviewed for all 24 wells proposed for this Location. COGCC's technical review of the 2A and all 24 APDs included review within the context of SB 19-181 and the required Objective Criteria. Objective Criteria Review Memo, Doc# 2316578, is in the Location's file in COGCC's database. This Addendum provides additional information regarding the delayed approvals of the APDs permitted at this Location. Only 12 APDs are able to be considered for approval at this time, as the other 12 APDs are awaiting Spacing.

Delayed Approval of APDS:

The APDs were placed ON HOLD on 9/30/2019, pending Form 2A and WOGLA approval. The Form 2A was approved on 1/21/2020 and the WOGLA19-0202 was approved on 10/11/2019. The 12 APDs under consideration for approval were placed IN PROCESS on 7/14/2020 once updated Spacing information was provided.

The Objective Criteria Review Memo for this location (Doc# 2316578) identified that this location met Criteria #1 for two building units located within 1500' of the edge of location, Criteria #5c for distance to nearby surface water features and being located in an area of estimated shallow groundwater, & Criteria #8 for location planned for more than 18 tanks total. The Objective Criteria Review Memo identified BMPs on the Form 2A that should successfully mitigate against the impacts identified by meeting Criteria #1, #5c, & #8, including:

Criteria 1

Verdad provided the following BMPs regarding mitigating having two building units within 1500' of the location: vehicle mud controls, water truck based dust control, straw bale or sound walls on the northwest and southeast side of the location, emissions controls, and lower VOC drilling fluid. Additionally, Verdad sent notification letters including the CDPHE health study on December 10, 2019 to six Building Units within 2,000' of the proposed Location and did not receive comments or concerns after 10 days.

Criteria 5c & 8

Verdad provided the following BMPs to mitigate being located near surface water features, an area with estimated shallow groundwater, and having more than 18 tanks on location: the location has an approved emergency action and tactical response plans per approval of WOGLA19-0202 approved on 10/11/2019, stormwater controls (ditch, berm, and sediment traps), drip pans under refueling equipment and daily leak inspections, lined containment for tank area, and remote shut-in capabilities with automated tank gauges.

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 #402050566 under the statutory authority provided through SB 19-181, including the Objective Criteria. The Director approved the Form 2A on 1/21/2020, establishing Location ID #470925 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# 2316578) can be found in the document file for this Location.