

FORM
2

Rev
02/20

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:

402330616

(RE-SUBMITTED)

Date Received:

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

TYPE OF WELL OIL GAS COALBED OTHER: _____

Refilling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Sidetrack

Well Name: Martin 3030

Well Number: 01H

Name of Operator: VERDAD RESOURCES LLC

COGCC Operator Number: 10651

Address: 1125 17TH STREET SUITE 550

City: DENVER

State: CO

Zip: 80202

Contact Name: Allison Schieber

Phone: (720)845-6909

Fax: ()

Email: regulatory@verdadresources.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20170009

WELL LOCATION INFORMATION

QtrQtr: Lot 4 Sec: 30 Twp: 9N Rng: 59W Meridian: 6

Latitude: 40.715188

Longitude: -104.028654

Footage at Surface: 445 Feet FNL/FSL FSL 466 Feet FEL/FWL FWL

Field Name: WILDCAT

Field Number: 99999

Ground Elevation: 4918

County: WELD

GPS Data: GPS Quality Value: 1.4 Type of GPS Quality Value: PDOP Date of Measurement: 12/18/2019

Instrument Operator's Name: Taylor Onley

If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 300 FSL 1281 FEL/FWL 300 FNL 1281 FWL FWL

Sec: 30 Twp: 9N Rng: 59W Sec: 30 Twp: 9N Rng: 59W

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 location? If the local government does regulate the siting, but has waived its right to precede the COGCC in siting determination, indicate by selecting "YES" here and selecting "Waived" for the disposition 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: WOGLA

The local government siting permit was filed on: 02/14/2020

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

Additional explanation of local process:

1041 WOGLA20-0022 was approved 08-06-2020.

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is: is the mineral owner beneath the location.

(check all that apply)

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 by this Well: Yes

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

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

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Sec 30, Twp 09N, Rng 59W: W2
Sec 30, Twp 09N, Rng 59W: W2E2

Total Acres in Described Lease: 480 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 300 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 460 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 445 Feet

School Facility: 5280 Feet

School Property Line: 5280 Feet

Child Care Center: 5280 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- 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.

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.

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: _____

SPACING and UNIT INFORMATION

Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 653 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 300 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Sec 30: ALL, Twp 09N, Rng 59W 640 Acres

If this Form 2 is associated with a Drilling and Spacing Unit application, provide docket number: _____

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	535-1321	640	Sec 30:ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 11434 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: 1209 Feet No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H2S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

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

Will oil based drilling fluids be used? Yes

BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	18	65	0	80	70	80	0
SURF	13+1/2	9+5/8	36	0	1700	411	1700	0
1ST	8+1/2	5+1/2	20	0	11434	1333	11434	1500

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- 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)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

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

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

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 distance to the nearest portion of the proposed wellbore to nearest portion of offset wellbore permitted or completed in the same formation is measured to the Martin 3030-02H in 2D using GIS mapping.

The distance to the nearest non op well is the Shull Fed #9-59-31-0508CDE (API 05-123-43666) status XX operated by Mallard PR status measured in 3D using anti collision report, please see attached as other.

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 441041

Is this application being submitted with an Oil and Gas Location Assessment application? No

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

Signed: _____ Print Name: Allison Schieber

Title: Sr. Regulatory Analyst Date: _____ Email: regulatory@verdadresources.c

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____
Expiration Date: _____

API NUMBER
05 123 41241 00

Conditions Of Approval

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	<ol style="list-style-type: none">1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad.2) Provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with cement bond log. Confirm rule and cement coverage with COGCC Area Engineer prior to drilling this well.3) Oil-based drilling fluid is to be used only after all fresh water aquifers are covered.4) Increase surface casing setting depth to 1700', adjust cement volume accordingly.
Drilling/Completion Operations	<p>Bradenhead Testing</p> <p>Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test:</p> <ol style="list-style-type: none">1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation.2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation.3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Operator will perform anti-collision evaluation of all active (producing, shut-in, of temporarily abandoned) offset wellbores that have the potential of being within 150' feet of the proposed well prior to drilling operations. Notice shall be given to all offset operators prior to drilling.
2	Drilling/Completion Operations	Rule 604.c.1: Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections shall be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documented results shall be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted on a daily basis when practicable.
3	Drilling/Completion Operations	Alternative Logging Program - A Dual Induction log was run on the Ptasnik 2-30-9-59 well for this location from the kick-off point to into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify an open hole log was run on the Ptasnik 2-30-9-59 (API 123-41239).

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

Att Doc Num	Name
402330616	FORM 2 SUBMITTED
402516380	FORM 2 REJECTED
402516709	WELL LOCATION PLAT
402516710	DEVIATED DRILLING PLAN
402516712	SURFACE AGRMT/SURETY
402516713	DIRECTIONAL DATA
402516714	OTHER
402516715	OffsetWellEvaluations Data

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit (Rejected)	<p>This application has been reviewed by COGCC staff and cannot be approved based on the information submitted; therefore, the COGCC is rejecting this application consistent with the Rejection Process – Form 2 and 2A (May 21, 2019) posted in the Form 2 and Form 2A Instructions section of our website. In compliance with § 24-65.1-108(1), C.R.S., the COGCC is returning this application to the applicant to remedy the deficiencies. The applicant may resubmit this application for COGCC review; upon determination of completeness for any resubmitted application, the COGCC will have 60 days in which to approve, deny, or request all additional information necessary to complete the regulatory review.</p> <p>In addition to all standard required information and attachments, the COGCC hereby confirms the following information is necessary prior to determination of completeness:</p> <ol style="list-style-type: none"> 1. There are three AL'd APDs on the Martin 3030-3031 Location (Location ID 441041), so three of the applications need to have Refile checked, and the API Numbers need to be recycled from the AL's. 2. Field name is incorrect. 3. Exception Location Request Letter needs to be removed. 4. Exception Location Waiver statement on Submit tab needs to be removed. 5. The Greater Wattenberg Area Location Exceptions for Rule 318A.a and 318A.c need to be unchecked. 6. Groundwater Baseline Sampling and Monitoring and Water Well Sampling rule is incorrect. 7. Open Hole Logging Exception operator BMP needs to be updated to the standard language to reflect that a Dual Induction Log was run on the Ptasnik 2-30-9-59 (API 123-41239). 	10/21/2020
Permit	<p>Field Name is incorrect. Exception Location Request Letter and Waivers are not applicable, application is outside of GWA. OHLE needs to be updated to reflect the Dual Induction Log on the Ptasnik 2-30-9-59 (123-41239).</p>	10/19/2020
Engineer	<ul style="list-style-type: none"> •Emailed Op with updated distance to nearest non-op well including PA wells: 1436' to Shull Fed 31-32-1HN(API 123-43664), PR •Emailed Op with change to surface casing. OK •Surface Casing Check complete •Offset well review complete 317.r - No wells 317.s - No wells •Engineering review complete 	10/13/2020
OGLA	<p>COGCC staff conducted its technical review of this Form 2 Application for Permit to Drill (APD) and the previously approved Oil and Gas Location Assessment associated with this APD within the context of SB 19-181 and the required Objective Criteria. This APD did not meet any of the Objective Criteria and is compliant with all applicable COGCC Rules.</p>	09/23/2020
Permit	<p>Passed Completeness.</p>	08/27/2020
Permit	<p>Exception location request letter incorrect. Return to draft.</p>	08/11/2020
Permit	<p>Returned to draft per operator request.</p>	08/10/2020

Total: 7 comment(s)

Public Comments

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

