



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
ROYAL GORGE FIELD OFFICE
3028 E. Main Street
Canon City, CO 81212
<https://www.blm.gov>



CONDITIONS OF APPROVAL FOR PLUG AND ABANDONMENT

Verdad Resources LLC

Notice of Intent of Abandonment Received August 4, 2021

Lease Number: COC71628/CACOC79175
Well Name: Colorado National Bank #1
API Number: 05-123-05582
Surface Location: NENE Section 12, T8N, R60W
Surface/Minerals: Federal
County: Weld

The Plug and Abandonment procedures for the well is approved with the following conditions:

- 1) Email a notification to **BLM_CO_RGFO_OperatorNotice@blm.gov** that identifies the well to be plugged at least 48 hours prior to MIRU for P&A. An assigned inspector will contact the rig with further instructions if a specific activity requires that an inspector arrive on-site prior to the start of operations.
- 2) Contact Kahindo Kamau, Petroleum Engineer, BLM Royal Gorge Field Office at 719-225-0599 (cell) for approval of any changes to the P&A procedure.
- 3) If oral approval is given for P&A procedure changes, before or during the process, a sundry notice outlining the requested changes and approval must be submitted to the BLM within five business days of the oral approval.
- 4) Operator representatives/contractors, and BLM inspectors that are onsite are authorized to stop work at any time should unsafe conditions warrant such action.
- 5) Each interval between plugs shall be filled with an isolating medium having a minimum density of 9 lb./gal.
- 6) Delayed well head cut and cap must be completed within 30 days of rig release.
- 7) The metal plate covering the wellbore shall be at least ¼" thick and welded in place with the following information permanently inscribed on the plate using a weld bead:
 - a) Company/operator name.
 - b) Lease number.
 - c) Well name.
 - d) API number.
 - e) Surface location the nearest quarter-quarter section.
- 8) Submit BLM Form 3160-5 sundry notice that includes a copy of COGCC Form 6 Subsequent Report of Abandonment within 30 days of the well head cut and cap completion date.

- 9) No night-time plugging work is to be performed unless otherwise approved by BLM in advance.
- 10) The following is the agreed upon plugging and abandonment procedure (all cement excesses have been factored into the calculations):

Plug #1: 8,166'-7,986'

A 180 ft cement plug shall be set in the open hole from 8,166 ft to 7,986 ft, covering the top of the Lyons formation (8,116').

The plug will use no-less than 65 sacks of cement at 15.8 ppg and 1.15 Cu.Ft./Sx. This plug must be tagged.

Plug #2: 7,256'-6,741'

A 515 ft cement plug shall be set in the open hole from 7,256 ft to 6,741 ft, covering the top of the Lakota (7,206'), Dakota (6,944'), and J Sandstone (6,861') formations.

The plug will use no-less than 185 sacks of cement at 15.8 ppg and 1.15 Cu.Ft./Sx. This plug must be tagged.

Plug #3: 6,187'-5,966'

A 221 ft cement plug shall be set in the open hole from 6,187 ft to 5,966 ft, covering the top of the Niobrara (6,137'), and Sharon Springs (6,076') formations.

The plug will use no-less than 95 sacks of cement at 15.8 ppg and 1.15 Cu.Ft./Sx. This plug must be tagged.

Plug #4: 4,098'-3,958'

A 140 ft cement plug shall be set in the open hole from 4,098 ft to 3,958 ft, covering the top of the Sussex formation (4,048').

The plug will use no-less than 60 sacks of cement at 15.8 ppg and 1.15 Cu.Ft./Sx. This plug must be tagged.

Plug #5: 1,500'-1,390'

A 110 ft cement plug shall be set in the open hole from 1,500 ft to 1,390 ft, covering the base of the Pierre C/D Sands formation (1,450').

The plug will use no-less than 47 sacks of cement at 15.8 ppg and 1.15 Cu.Ft./Sx. This plug must be tagged.

Surface Plug: 700'-Surface

A cement plug shall be set from 700 ft to Surface and will use no less than 322 sacks of cement at 15.8 ppg and 1.15 Cu.Ft./Sx.

**BLM WELL ABANDONMENT REFERENCES ARE LOCATED IN ONSHORE ORDER #2
(OO#2.III.G.)**

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These plugging COAs supersede or are to be implemented in parallel with COGCC's P&A requirements. If you have any questions regarding this approval, please call Kahindo Kamau, Petroleum Engineer, BLM Royal Gorge Field Office at 719-225-0599 (cell).