

FORM  
2

Rev  
12/20

## 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:

402825110

Date Received:

10/18/2021

#### APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

Amend ☐

Refill ☐

Sidetrack ☐

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: \_\_\_\_\_

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Well Name: Countyline Well Number: 3108-13H  
Name of Operator: VERDAD RESOURCES LLC COGCC Operator Number: 10651  
Address: 1125 17TH STREET SUITE 550  
City: DENVER State: CO Zip: 80202  
Contact Name: Heather Mitchell Phone: (720)845-6917 Fax: ( )  
Email: regulatory@verdadresources.com

#### RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20170009

#### WELL LOCATION INFORMATION

##### Surface Location

QtrQtr: SWSE Sec: 31 Twp: 1N Rng: 65W Meridian: 6

Footage at Surface: 340 Feet FSL 1910 Feet FEL

Latitude: 40.001456 Longitude: -104.704093

GPS Data: GPS Quality Value: 1.7 Type of GPS Quality Value: PDOP Date of Measurement: 04/20/2018

Ground Elevation: 5043

Field Name: WATTENBERG Field Number: 90750

Well Plan: is ☐ Directional ☒ Horizontal (highly deviated) ☐ Vertical

If Well plan is Directional or Horizontal attach Deviated Drilling Plan and Directional Data.

##### Subsurface Locations

###### Top of Productive Zone (TPZ)

Sec: 5 Twp: 1S Rng: 65W Footage at TPZ: 460 FNL 489 FWL  
Measured Depth of TPZ: 7973 True Vertical Depth of TPZ: 7150 FNL/FSL FEL/FWL

###### Base of Productive Zone (BPZ)

Sec: 8 Twp: 1S Rng: 65W Footage at BPZ: 460 FSL 489 FWL  
Measured Depth of BPZ: 17263 True Vertical Depth of BPZ: 7150 FNL/FSL FEL/FWL

###### Bottom Hole Location (BHL)

Sec: 8 Twp: 1S Rng: 65W Footage at BHL: 370 FSL 489 FWL  
FNL/FSL FEL/FWL

#### LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELDMunicipality: N/A

Is the Surface Location of this Well in an area designated as one of State interest and subject to the requirements of § 24-65.1-108 C.R.S.? Yes

Per § 34-60-106(1)(f)(I)(A) C.R.S., the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas Location.

SB 19-181 provides that when "applying for a permit to drill," operators must include proof that they sought a local government siting permit and the disposition of that permit application, or that the local government does not have siting regulations. § 34-60-106(1)(f)(I)(A) C.R.S.

Does the Relevant Local Government regulate the siting of Oil and Gas Locations, with respect to this Location? ☒ 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 disposition of the application filed with the Relevant Local Government is: Approved Date of Final Disposition: 10/11/2019

Comments: WOGLA19-0183 approved on 10/11/2019

## SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATION

Surface Owner of the land at this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Mineral Owner beneath this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Surface Owner Protection Financial Assurance (if applicable): \_\_\_\_\_ Surety ID Number (if applicable): \_\_\_\_\_

## MINERALS DEVELOPED BY WELL

The ownership of all the minerals that will be developed by this Well is (check all that apply):

- ☒ Fee  
☐ State  
☐ Federal  
☐ Indian  
☐ N/A

## LEASE INFORMATION

Using standard QtrQtr, Section, Township, Range format describe one entire mineral lease as follows:

\* If this Well is within a unit, describe a lease that will be developed by the Well.

\* If this Well is not subject to a unit, describe the lease that will be produced by the Well.

(Attach a Lease Map or Lease Description or Lease if necessary.)

T1S, R65W: Sec. 5 W2

Total Acres in Described Lease: 320 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # \_\_\_\_\_

## SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1019 Feet  
Building Unit: 1019 Feet  
Public Road: 324 Feet  
Above Ground Utility: 903 Feet  
Railroad: 1560 Feet

### INSTRUCTIONS:

- Specify all distances per Rule 308.b.(1).
- 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 – as defined in 100 Series Rules.

Property Line: 310 Feet

## 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	407-2629	640	W2 Sec. 8 and 5

Federal or State Unit Name (if appl):

Unit Number:

## SUBSURFACE MINERAL SETBACKS

Enter 5280 for distance greater than 1 mile.

Is this Well within a unit? Yes

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary: 460 Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well within the same unit permitted or completed in the same formation: 200 Feet

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well producing from the same lease and permitted or completed in the same formation: Feet

## Exception Location

☐ If this Well requires the approval of a Rule 401.c Exception Location, enter the Rule or spacing order number and attach the Exception Location Request and Waivers.

## SPACING & FORMATIONS COMMENTS

T1S R65W: W2 Sec. 8 and 5

## DRILLING PROGRAM

Proposed Total Measured Depth: 17353 Feet

TVD at Proposed Total Measured Depth 7150 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: 333 Feet ☐ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than

or equal to 100 ppm? No If yes, attach an H<sub>2</sub>S Drilling Plan unless a plan was already submitted with the Form 2A per Rule 304.c.(10).

Will there be hydraulic fracture treatment at a depth less than 2,000 feet in this well? No

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

Beneficial reuse or land application plan submitted?

Reuse Facility ID: or Document Number:

**CASING PROGRAM**

<u>Casing Type</u>	<u>Size of Hole</u>	<u>Size of Casing</u>	<u>Grade</u>	<u>Wt/Ft</u>	<u>Csg/Liner Top</u>	<u>Setting Depth</u>	<u>Sacks Cmt</u>	<u>Cmt Btm</u>	<u>Cmt Top</u>
CONDUCTOR	26	16	ASTM	65	0	80	70	80	0
SURF	13+1/2	9+5/8	J55	36	0	2384	647	2384	0
1ST	8+1/2	5+1/2	P110	20	0	17353	2176	17353	

☐ Conductor Casing is NOT planned

**POTENTIAL FLOW AND CONFINING FORMATIONS**

<u>Zone Type</u>	<u>Formation /Hazard</u>	<u>Top M.D.</u>	<u>Top T.V.D.</u>	<u>Bottom M.D.</u>	<u>Bottom T.V.D.</u>	<u>TDS (mg/L)</u>	<u>Data Source</u>	<u>Comment</u>
Groundwater	Denver	0	0	996	992	501-1000	USGS	USGS-400012104431601, USGS-395958104433101
Groundwater	Fox Hills	996	992	1290	1277	501-1000	USGS	USGS-400138104404301
Confining Layer	Pierre	1290	1277	1791	1745			
Groundwater	Upper Pierre Porosity	1791	1745	2333	2249	501-1000	Other	No samples or data available
Confining Layer	Pierre	2333	2249	4629	4381			
Hydrocarbon	Parkman	4629	4381	4903	4636			
Confining Layer	Pierre	4903	4636	4964	4693			
Hydrocarbon	Sussex	4964	4693	5234	4943			
Confining Layer	Pierre	5234	4943	7655	7078			
Hydrocarbon	Sharon Springs	7655	7078	7691	7093			
Hydrocarbon	Niobrara	7691	7093	17353	7150			

**OPERATOR COMMENTS AND SUBMITTAL**

Comments No SUA attached as Verdad (Applicant) is the surface owner.

The nearest well completed or permitted in the same formation is the Walla 5-15-2L, measured is 2D using GIS mapping.

The nearest existing or proposed well belonging to another operator is the Adam Ten 1-A AP#05-123-08740 operated by Crestone Peak Resources Operating well status PA. This distance was measured in 3D using an anti collision report, attached as "other".

This well has a bottom hole location beyond the unit boundary setback. The bottom of the completed interval will be within the unit boundary setback 460 'FSL and 489' FWL of section 8. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

This application is in a Comprehensive Area Plan No CAP #: \_\_\_\_\_

OGDP ID#: \_\_\_\_\_ OGDP Name: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Location ID: 474767 Location Name: County Line Pad

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

Signed: \_\_\_\_\_ Print Name: Heather Mitchell

Title: Regulatory Manager Date: 10/18/2021 Email: regulatory@verdadresources.c

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 12/17/2021

Expiration Date: 12/16/2024

**API NUMBER**

05 123 51638 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.

## Condition of Approval

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	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: 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, a second test is required between 6-9 months after rig release and must be conducted prior to stimulation. If any pressure greater than 200 psi is observed or if there is continuous flow, Operator 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.
Drilling/Completion Operations	Operator acknowledges the proximity of the listed non-operated wells. Operator assures that this offset list will be remediated per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document Operator using Option 4. Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation will be completed, during the hydraulic stimulation of this well. Operator will not hydraulically stimulate within 1500' of the listed wells: 123-07782 SACK-HIETT #1 123-14671 SAWYER-GULLIKSEN #32-3 001-09111 Dreyer #1
Drilling/Completion Operations	Operator acknowledges the proximity of the listed non-operated well. Operator assures that this offset list will be remediated per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document Operator using Option 3. Operator will submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 001-06702 ADAM TEN LTD #1
Drilling/Completion Operations	Operator acknowledges the proximity of the non-operated listed well. Operator agrees to: provide mitigation option 1 or 2 (per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 123-14272 SAWYER #32-2
Drilling/Completion Operations	Operator acknowledges the proximity of the listed wells. Operator agrees to: provide mitigation option 1 or 2 (per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 001-07415 BERGMAN #1 001-07623 MELISSA #1 001-08117 RAINBOW #1 001-09473 MELISSA #13-8
Drilling/Completion Operations	1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 2 business day spud notice via Form 42 for all subsequent wells drilled on the pad. 2) Comply with Rule 408.j. and provide cement coverage from TD to a minimum of 500' above Niobrara. Verify coverage with a cement bond log.
Drilling/Completion Operations	Operator will ensure the wellbore beyond the unit boundary setback is physically isolated and is not completed. In the Operator Comments on the Form 5A the operator will (1) report the footages from the section lines of the bottom of the completed interval (2) describe how the wellbore beyond the unit boundary setback is physically isolated and (3) certify that none of the wellbore beyond the setback was completed.
7 COAs	

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
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	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 - One of the first wells drilled on the pad will be logged with Open Hole Resistivity Log and Gamma Ray Log 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 measuredwhile-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 openhole logs shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which openhole logs were run.

Total: 3 comment(s)

## Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402825110	FORM 2 SUBMITTED
402825251	WELL LOCATION PLAT
402825253	DEVIATED DRILLING PLAN
402825254	OTHER
402825256	DIRECTIONAL DATA
402903601	OFFSET WELL EVALUATION

Total Attach: 6 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	The Location and its associated Form 2A materials were fully reviewed during the review of this APD. The Form 2A (doc# 402092786) for this location was approved with a COA to provide an air monitoring plan for this location (Loc ID: 474767) prior to drilling operations. The COA for air monitoring was satisfied via Sundry doc# 402713510. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	12/14/2021
Permit	Final Review Completed.	11/30/2021
Permit	Expired permits that were spaced under Spacing Order Number 407-2629 have been abandoned (AL) via sundries, doc #'s 402877215, 402877405, 402877412, 402877423, 402877435, 402877472, and 402877515. This application, along with the other 4 applications will now equal 8 wells in the unit.  Permitting review complete.	11/29/2021
Permit	Spacing Order Number 407-2629 only allows for 12 wells. This application, along with the other 4 applications will equal 15 wells in the unit. Distance from the Completed Zone of this Well to the Unit Boundary is incorrect. SUA not attached to application. Distance to Nearest Well in the Unit is incorrect.  No SUA is required, Verdad is the Surface Owner. A comment has been added to the Submit tab. Corrected Distance to Unit Boundary to 460 ft. Corrected Distance to Nearest Well in the Unit to 200 ft.	11/08/2021

Total: 4 comment(s)