

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:

402954241

Date Received:

03/11/2022

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Amend

Refile

Sidetrack

TYPE OF WELL OIL GAS COALBED OTHER: _____
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Well Name: Boyd 2413 Well Number: 11H
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

Surface Location

QtrQtr: NESW Sec: 24 Twp: 2N Rng: 64W Meridian: 6
Footage at Surface: 1441 Feet FSL 2387 Feet FWL
Latitude: 40.120601 Longitude: -104.500598
GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP Date of Measurement: 11/30/2021
Ground Elevation: 4923
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: 24 Twp: 2N Rng: 64W Footage at TPZ: 460 FSL 480 FEL
Measured Depth of TPZ: 7867 True Vertical Depth of TPZ: 6800 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 13 Twp: 2N Rng: 64W Footage at BPZ: 460 FNL 480 FEL
Measured Depth of BPZ: 17530 True Vertical Depth of BPZ: 6800 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 13 Twp: 2N Rng: 64W Footage at BHL: 370 FNL 480 FEL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELD

Municipality: 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: 01/18/2018

Comments: WOGLA18-0001

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.)

SW/4 Section 24, 2N, R64W

Total Acres in Described Lease: 160 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 781 Feet
 Building Unit: 860 Feet
 Public Road: 409 Feet
 Above Ground Utility: 1132 Feet
 Railroad: 1330 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: 343 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 | 407-1192 | 1280 | 2N,64W Section 24 & 13:All |

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: 259 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

DRILLING PROGRAM

Proposed Total Measured Depth: 17620 Feet TVD at Proposed Total Measured Depth 6800 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: 62 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 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? No

Reuse Facility ID: _____ or Document Number: _____

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: 4/11/2022

Expiration Date: 04/10/2025

| |
|-------------------|
| API NUMBER |
| 05 123 46831 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> |
|--------------------------------|---|
| Construction | Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017). |
| Drilling/Completion Operations | COGCC COA: 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. |
| 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 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. 123-05079 BERGLUND #1 123-11870 ARNOLD #1 123-08083 JOHN CUYKENDALL UNIT #2 |
| 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 | 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 is observed or if there is continuous flow, Operator must contact COGCC engineering for approval 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 engineering for approval prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance. |
| 5 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 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 (by API#, well name & number) the well in which open hole logs were run. |

Total: 3 comment(s)

Attachment List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------------|
| 402954241 | FORM 2 SUBMITTED |
| 402956701 | OffsetWellEvaluations Data |
| 402970473 | DEVIATED DRILLING PLAN |
| 402970475 | WELL LOCATION PLAT |
| 402970476 | DIRECTIONAL DATA |
| 402982232 | OTHER |
| 403011534 | OFFSET WELL EVALUATION |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|---------------------|
| Permit | -Changed the APD to a refile permit since there were available APIs on the location -Corrected the typo on the lease size | 04/11/2022 |
| Permit | Final Review Completed. | 04/06/2022 |
| OGLA | The Location and its associated Form 2A materials was fully reviewed during the review of this APD. Additional BMPs for noise and lighting were added as well as production facilities being moved further from the Residential Building Unit in Sundry 402869013. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. | 03/29/2022 |
| Permit | Received consent from the operator for the following: 1.Selecting yes on the 1041 checkbox 2.Checking off state minerals since no state minerals are present 3.Adding a drilling beyond the setback comment with footages 4.Adding the drilling beyond the setback COA -Passed Permit Review | 03/29/2022 |
| Permit | -The wellbore does not cross lease described but the lease is within DSU. -Confirming the following with the operator: 1. The ADP is a 1041, checkbox is selected no 2.Confirming if state minerals are present in the DSU 3.Requesting a updated drilling beyond the setback comment with footages 4.Adding the drilling beyond the setback COA | 03/24/2022 |

Total: 5 comment(s)