

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:

403001202

(SUBMITTED)

Date Received:

05/04/2022

APPLICATION FOR PERMIT TO:

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

Amend ☒

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

Refill ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Onion Well Number: 1907-01H  
Name of Operator: VERDAD RESOURCES LLC COGCC Operator Number: 10651  
Address: 1125 17TH STREET SUITE 550  
City: DENVER State: CO Zip: 80202  
Contact Name: 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: 1 Sec: 19 Twp: 1N Rng: 64W Meridian: 6  
Footage at Surface: 2075 Feet FSL 1691 Feet FWL  
Latitude: 40.035251 Longitude: -104.596768  
GPS Data: GPS Quality Value: 2.0 Type of GPS Quality Value: PDOP Date of Measurement: 04/04/2019  
Ground Elevation: 5011  
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: 19 Twp: 1N Rng: 65W Footage at TPZ: 2180 FNL 484 FWL  
Measured Depth of TPZ: 7714 True Vertical Depth of TPZ: 7250 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 7 Twp: 1N Rng: 64W Footage at BPZ: 460 FNL 484 FWL  
Measured Depth of BPZ: 20041 True Vertical Depth of BPZ: 7250 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 7 Twp: 1N Rng: 64W Footage at BHL: 370 FNL 484 FWL  
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: 10/11/2019

Comments: WOGLA19-0202

## 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.)

Township 1 North, Range 64 West  
Section 18: S2NW4, SW4  
Containing approximately 240 acres

Total Acres in Described Lease: 240 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian  
Federal or State Lease # \_\_\_\_\_

### SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 680 Feet  
Building Unit: 1513 Feet  
Public Road: 1661 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.

Above Ground Utility: 575 Feet

Railroad: 5280 Feet

Property Line: 589 Feet

- Building Unit – as defined in 100 Series Rules.

## 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	407-3321	2560	Sec. 19:ALL Sec. 18:ALL, Sec. 7 ALL, Sec. 30: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: 516 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

Township 1 North, Range 64 West, 6th P.M.  
Section 7: All  
Section 18: All  
Section 19: All  
Section 30: All

**DRILLING PROGRAM**Proposed Total Measured Depth: 20131 FeetTVD at Proposed Total Measured Depth 7250 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: 915 Feet ☐ No well belonging to another operator within 1,500 feetWill a closed-loop drilling system be used? YesIs H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater thanor 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? NoWill salt sections be encountered during drilling? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? YesBOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

Beneficial reuse or land application plan submitted? \_\_\_\_\_

Reuse Facility ID: \_\_\_\_\_ or Document Number: \_\_\_\_\_

**CASING PROGRAM**

Casing Type	Size of Hole	Size of Casing	Grade	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	26	16	ASTM	65	0	80	70	80	0
SURF	13+1/2	9+5/8	J55	36	0	2181	592	2181	0
1ST	8+1/2	5+1/2	P110	20	0	20131	2482	20131	0

☐ Conductor Casing is NOT planned**POTENTIAL FLOW AND CONFINING FORMATIONS**

Zone Type	Formation /Hazard	Top M.D.	Top T.V.D.	Bottom M.D.	Bottom T.V.D.	TDS (mg/L)	Data Source	Comment
Groundwater	Arapahoe	0	0	685	684	501-1000	USGS	USGS-400237104354401 600 mg/L
Groundwater	Fox Hills	685	684	1014	1008	501-1000	USGS	USGS-400111104354501 738 mg/L
Confining Layer	Pierre	1014	1008	1614	1599			
Groundwater	Upper Pierre Porosity	1614	1599	2129	2106	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	Pierre	2129	2106	4130	4076			
Hydrocarbon	Parkman	4130	4076	4437	4378			Non-Productive horizon
Confining Layer	Pierre	4437	4378	4486	4427			
Hydrocarbon	Sussex	4486	4427	4841	4776			Non-Productive horizon
Confining Layer	Pierre	4841	4776	5311	5239			
Hydrocarbon	Shannon	5311	5239	5755	5676			Non-Productive horizon
Confining Layer	Pierre	5755	5676	7021	6912			
Hydrocarbon	Sharon Springs	7021	6912	7686	7249			Non-Productive horizon
Hydrocarbon	Niobrara	7686	7249	20131	7262			

**OPERATOR COMMENTS AND SUBMITTAL**

Comments

The distance to the nearest well completed or permitted in the same formation was measured to the Onion 1907-02H for a distance of 516 ft.  
The nearest proposed well belonging to another operator is the Flanigan 2A-6H (API 05-123-35694), Operated by Crestone Peak Resources Operating LLC in SI Status measured in 3D at 915' taken from the anti-collision plan. This well has a BHL beyond the unit boundary setback. The bottom of the completed interval will be within the boundary setback at 460 FNL and 484' FWL of Section 7. The wellbore beyond the unit setback will be physically isolated and will not be completed.

This application is in a Comprehensive Area Plan No CAP #: \_\_\_\_\_  
Oil and Gas Development Plan Name \_\_\_\_\_ OGDID #: \_\_\_\_\_  
Location ID: 470925  
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: 5/4/2022 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 51230 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.

**COA Type**

**Description**

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## 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>
403029036	OffsetWellEvaluations Data
403029043	WELL LOCATION PLAT
403029045	DEVIATED DRILLING PLAN
403029048	OTHER
403029049	DIRECTIONAL DATA

Total Attach: 5 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)

## Public Comments

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

