

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:

402925570

(SUBMITTED)

Date Received:

05/26/2022

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: County Line

Well Number: 3229-19H

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 1685 Feet FEL

Latitude: 40.001457 Longitude: -104.703289

GPS Data: GPS Quality Value: 1.7 Type of GPS Quality Value: PDOP

Date of Measurement: 12/10/2021

Ground Elevation: 5046

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: 32 Twp: 1N Rng: 65W

Footage at TPZ: 460 FSL 1429 FWL

Measured Depth of TPZ: 8311

True Vertical Depth of TPZ: 7250

FNL/FSL

FEL/FWL

Base of Productive Zone (BPZ)

Sec: 29 Twp: 1N Rng: 65W

Footage at BPZ: 2180 FSL 1431 FWL

Measured Depth of BPZ: 15335

True Vertical Depth of BPZ: 7250

FNL/FSL

FEL/FWL

Bottom Hole Location (BHL)

Sec: 29 Twp: 1N Rng: 65W

Footage at BHL: 2270 FSL 1429 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: WOGLA19-0183

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.)

SEC.29-1N-65W: N2SW4 & SEC.32-1N-65W: W2

Total Acres in Described Lease: 400 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 962 Feet
Building Unit: 819 Feet
Public Road: 280 Feet
Above Ground Utility: 702 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.

Railroad: 1739 Feet
Property Line: 340 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	407-2473	960	S2 Sec. 29& All Sec. 32

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: 481 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

T1N R65W: Sec. 32 - ALL, S2 Sec. 29

DRILLING PROGRAM

Proposed Total Measured Depth: 15425 Feet TVD 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: 466 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?

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	2390	649	2390	0
1ST	8+1/2	5+1/2	P110	20	0	15425	1964	15425	0

☐ 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	973	970	501-1000	USGS	USGS-400012104431601, USGS-395958104433101
Groundwater	Laramie Fox Hills	973	970	1267	1255	501-1000	USGS	USGS-400138104404301
Confining Layer	Pierre	1267	1255	1773	1723			
Groundwater	Upper Porosity Pierre	1773	1723	2336	2227	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	Pierre	2336	2227	4717	4359			
Hydrocarbon	Parkman	4717	4359	5002	4614			Non-productive horizon
Confining Layer	Pierre	5002	4614	5066	4671			
Hydrocarbon	Sussex	5066	4671	5345	4921			Non-productive horizon
Confining Layer	Pierre	5345	4921	7769	7056			
Hydrocarbon	Sharon Springs	7769	7056	7791	7071			Non-productive horizon
Hydrocarbon	Niobrara	7791	7071	15425	7463			

OPERATOR COMMENTS AND SUBMITTAL**Comments**

The distance to the nearest well completed or permitted in the same formation was measured to the Countyline 3229-18H for a distance of 481 ft.
 The nearest proposed well belonging to another operator is the Kilker #1 (API 05-123-08425), operated by Kerr McGee and in PA status, measured in 3D at 466' taken from the anti-collision plan.
 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 at 2180' FSL and 1431' FWL of Section 29. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

This application is in a Comprehensive Area Plan _____

CAP #: _____

Oil and Gas Development Plan Name _____

OGDP ID#: _____

Location ID: 474767

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: 5/26/2022

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

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

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	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>
402938064	WELL LOCATION PLAT
402940470	OffsetWellEvaluations Data
403061025	DEVIATED DRILLING PLAN
403061028	OTHER
403061029	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	<p>RETURNED TO DRAFT: This application has been reviewed by COGCC staff and cannot be approved based on the information submitted; therefore, the COGCC is returning this form to DRAFT for the applicant to resolve the issues. 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 resubmittal of any 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 for review:</p> <p>1.Operator requested form to be sent back to draft since multiply corrections are required</p>	05/26/2022

Total: 1 comment(s)

Public Comments

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

