

FORM  
2

Rev  
05/22

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:

402975401

Date Received:

05/25/2022

APPLICATION FOR PERMIT TO

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

Amend ☐

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

Refile ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Rohn Well Number: 1423-08H  
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

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance

☒ The Operator has provided or will provide Financial Assurance to the COGCC for this Well.

Surety ID Number (if applicable): 20170009

Federal Financial Assurance

☐ In checking this box, the Operator certifies that it has provided or will provide at least this amount of Financial Assurance to the federal government for this Well. (Per Rule702.a.)

Amount of Federal Financial Assurance \$ \_\_\_\_\_

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NWSE Sec: 14 Twp: 9N Rng: 60W Meridian: 6

Footage at Surface: 2005 Feet FSL 2421 Feet FEL

Latitude: 40.748538 Longitude: -104.058355

GPS Data: GPS Quality Value: 1.3 Type of GPS Quality Value: PDOP Date of Measurement: 09/14/2017

Ground Elevation: 4986

Field Name: DJ HORIZONTAL NIOBRARA Field Number: 16950

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: 14 Twp: 9N Rng: 60W Footage at TPZ: 2037 FSL 1164 FEL  
Measured Depth of TPZ: 6743 True Vertical Depth of TPZ: 6200 FNL/FSL FEL/FWL

**Base of Productive Zone (BPZ)**

Sec: 23 Twp: 9N Rng: 60W Footage at BPZ: 1330 FSL 1166 FEL  
Measured Depth of BPZ: 12731 True Vertical Depth of BPZ: 6200 FNL/FSL FEL/FWL

**Bottom Hole Location (BHL)**

Sec: 23 Twp: 9N Rng: 60W Footage at BHL: 1240 FSL 1166 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: 04/25/2019

Comments: WOGLA19-0041

**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 Bond (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 9 North, Range 60 West, 6th P.M.

Section 13: S2

Section 14: S2SE, SESW

Section 23: NE, N2SE, NENW

Total Acres in Described Lease: 720

Described Mineral Lease is: ☒ Fee

☐ State

☐ Federal

☐ Indian

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

## SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1078 Feet

Building Unit: 4292 Feet

Public Road: 1992 Feet

Above Ground Utility: 397 Feet

Railroad: 5280 Feet

Property Line: 675 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.

## 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	535-958	960	Sec. 14: S/2, Sec. 23:ALL, T9N R60W

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: 647 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: 536 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 9N, R60W. Sec. 14:S2 and Sec. 23: ALL

## DRILLING PROGRAM

Proposed Total Measured Depth: 12820 Feet

TVD at Proposed Total Measured Depth 6200 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: \_\_\_\_\_ 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

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	1824	495	1824	0
1ST	8+1/2	5+1/2	P110	20	0	12820	1663	12820	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	Laramie-Fox Hills	0	0	689	688	501-1000	USGS	USGS-404236104041501
Confining Layer	Pierre	689	688	1060	1052			
Groundwater	Upper Porosity Pierre	1060	1052	1772	1740	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	Pierre	1772	1740	3519	3429			
Hydrocarbon	Parkman	3519	3429	3970	3865			Non-productive horizon
Hydrocarbon	Sussex	3970	3865	4345	4228			Non-productive horizon
Hydrocarbon	Shannon	4345	4228	5236	5089			Non-productive horizon
Confining Layer	Pierre	5236	5089	6414	6119			
Hydrocarbon	Sharon Springs	6414	6119	6532	6166			Non-productive horizon
Hydrocarbon	Niobrara	6532	6166	12820	6455			

## OPERATOR COMMENTS AND SUBMITTAL

Comments

The nearest well permitted or completed in the same formation in the Rohn 1423 07H measured in 2D using GIS mapping.

The are no wells belonging to another operator with 1500'

Verdad is refiling this application for permit to drill and changing the name, wellbore location and revising casing plans. This is a built pad, so no form 2A is required as this is a refile.

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

Oil and Gas Development Plan Name \_\_\_\_\_ OGDID ID#: \_\_\_\_\_

Location ID: 457136

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: 5/25/2022 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: 8/12/2022

Expiration Date: 08/11/2025

**API NUMBER**

05 123 47778 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

**COA Type**

**Description**

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, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, 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.
Interim Reclamation	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).

3 COAs

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Odor mitigation	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.
2	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.
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>
402975401	FORM 2 SUBMITTED
402990537	OffsetWellEvaluations Data
403057733	DEVIATED DRILLING PLAN
403057734	DIRECTIONAL DATA
403058809	WELL LOCATION PLAT
403134822	OFFSET WELL EVALUATION

Total Attach: 6 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Made the following changes with concurrence from the operator: - Select "Refile" under Well Name & Contact Info tab. - Added operator comment under submit tab, stating changes to the well from original planned well - Added missing associated API from AL well on same pad	08/08/2022
Permit	Final Review Completed.	08/03/2022
OGLA	This Location and its associated materials was fully reviewed in the review of this APD in accordance with current Rules. See Sundry doc #403119203 in Location #457136 file for additional information. This APD complies with all COGCC Rules and is adequately protective of public health, safety, welfare, the environment, and wildlife resources. OGLA task passed.	08/03/2022
OGLA	Corrected distance to nearest Above Ground Utility to 397 ft. per operator request.	08/03/2022
OGLA	IN PROCESS: OGLA review will resume as of 7/27/2022.	07/27/2022
OGLA	ON HOLD: Pending additional information.	07/22/2022
Engineer	•Offset well review complete 408.t - No wells 408.u - No wells •Engineering review complete	07/15/2022
Permit	Made the following changes with concurrence from the operator: - Check COGCC Financial Assurance box under Well Name & Contact Info tab. - Added missing Township and Range information to unit configuration box under Spacing & Formations tab. - Corrected Field to DJ Horizontal Niobrara #16950  Asked operator about proposed wellbore being shorter than the rest of the pad. Operator Replied: "There is a reservoir that excluded minerals from the BLM lease. We are unable to penetrate that reservoir, so the lateral was shortened."  Emailed operator to work with OGLA for Form 2A correction on Distance from well to Building Unit.  Permit Review Complete	07/11/2022
Permit	Emailed Operator for the following: - Confirm COGCC Financial assurance box needs checked. - Confirm distance to nearest building unit. - Provide Township and Range for unit configuration box	07/08/2022

Total: 9 comment(s)