

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:

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(SUBMITTED)

Date Received:

09/15/2022

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: Fawn

Well Number: 2734-13H

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

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): _____

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: SESW Sec: 22 Twp: 1N Rng: 65W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 244 Feet FSL 2430 Feet FWL

Latitude: 40.030324

Longitude: -104.650911

GPS Data:

GPS Quality Value: 1.5

Type of GPS Quality Value: PDOP

Date of Measurement: 05/05/2021

Ground Elevation: 5111

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: 27 Twp: 1N Rng: 65W

Footage at TPZ: 460 FNL 1023 FEL

Measured Depth of TPZ: 7857

True Vertical Depth of TPZ: 7250

FNL/FSL

FEL/FWL

Base of Productive Zone (BPZ)Sec: 34 Twp: 1N Rng: 65WFootage at BPZ: 460 FSL 1024 FELMeasured Depth of BPZ: 17540True Vertical Depth of BPZ: 7250 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 34 Twp: 1N Rng: 65WFootage at BHL: 370 FSL 1024 FEL

FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATIONCounty: 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: 05/11/2022Comments: 1041WOGLA21-0016**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 ☐ IndianMineral 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.)

T1NR65W Sec. 27: ALLTotal Acres in Described Lease: 640Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease #

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1384 Feet
Building Unit: 2556 Feet
Public Road: 2844 Feet
Above Ground Utility: 1460 Feet
Railroad: 5280 Feet
Property Line: 244 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	407-3364	1920	Sec.27 and 34: ALL, Sec. 28 &33 E2

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: 520 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.27 &34: ALL, Sec. 28 &33 E2

DRILLING PROGRAM

Proposed Total Measured Depth: 17631 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: 78 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

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	40	0	2303	625	2303	0
1ST	8+1/2	5+1/2	P110	20	0	17631	2177	17631	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	968	963	1001-10000	USGS	USGS-400229104403901 (1720 mg/L)
Groundwater	Fox Hills	968	963	1240	1227	0-500	USGS	USGS-400058104361201 (434mg/L)
Confining Layer	Pierre	1240	1227	1741	1709			
Groundwater	Upper Pierre Porosity	1741	1709	2248	2197	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	Pierre	2248	2197	4474	4342			
Hydrocarbon	Parkman	4474	4342	4702	4561			Non-productive horizon
Confining Layer	Pierre	4702	4561	4781	4637			
Hydrocarbon	Sussex	4781	4637	5068	4914			Non-productive horizon
Confining Layer	Pierre	5068	4914	5411	5244			
Hydrocarbon	Shannon	5411	5244	5831	5649			Non-productive horizon
Confining Layer	Pierre	5831	5649	6454	6249			
Hydrocarbon	Sharon Springs	6454	6249	7425	7114			Non-productive horizon
Hydrocarbon	Niobrara	7425	7114	17631	7479			

OPERATOR COMMENTS AND SUBMITTAL

Comments

The nearest well permitted or completed in the same formation in the Fawn 2734-14H measured in 2D using GIS mapping.
The nearest well belonging to another operator is the Jordan 34-8(05-123-13280) in DA status operated by Berge Exploration Inc. measured in 3D using the anti collision report, attached as other.
This well has a BHL beyond the unit boundary setback. The Bottom of the completed interval will be within the boundary setback at 460 FSL and 1024' FEL of Section 34. The wellbore beyond the unit setback will be isolated and will not be completed.

This application is in a Comprehensive Area Plan _____ No _____ CAP #: _____
Oil and Gas Development Plan Name Fawn 2734-2833 OGD ID#: 482044
Location ID: 482909
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: 9/15/2022 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

<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 measuredwhiledrilling 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>
403133004	WELL LOCATION PLAT
403133005	DEVIATED DRILLING PLAN
403133007	OTHER
403133008	DIRECTIONAL DATA
403150023	OffsetWellEvaluations Data
403167339	OffsetWellEvaluations Data

Total Attach: 6 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.

