

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:  
403130637  
Date Received:  
09/14/2022

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: Fawn    Well Number: 2833-02H  
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: SESW    Sec: 22    Twp: 1N    Rng: 65W    Meridian: 6  
Footage at Surface: 244 Feet    FNL/FSL    FSL    2254    Feet    FEL/FWL    FWL  
Latitude: 40.030325    Longitude: -104.651539  
GPS Data:    GPS Quality Value: 1.5    Type of GPS Quality Value: PDOP    Date of Measurement: 05/05/2021  
Ground Elevation: 5107  
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: 28    Twp: 1N    Rng: 65W    Footage at TPZ: 460    FNL    1954    FEL  
Measured Depth of TPZ: 8868    True Vertical Depth of TPZ: 7250    FNL/FSL    FEL/FWL

Base of Productive Zone (BPZ)

Sec: 33 Twp: 1N Rng: 65W Footage at BPZ: 460 FSL 1954 FEL
Measured Depth of BPZ: 18549 True Vertical Depth of BPZ: 7250 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 33 Twp: 1N Rng: 65W Footage at BHL: 370 FSL 1954 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? [X] Yes [ ] No

[X] 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: 05/11/2022

Comments: 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: [X] Fee [ ] State [ ] Federal [ ] Indian

Mineral Owner beneath this Well's Oil and Gas Location: [X] 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):

- [X] 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: ALL

Total Acres in Described Lease: 640 Described Mineral Lease is: [X] Fee [ ] State [ ] Federal [ ] Indian

Federal or State Lease #

**SAFETY SETBACK INFORMATION**

Distance from Well to nearest:

Building: 1273 Feet  
 Building Unit: 2520 Feet  
 Public Road: 2702 Feet  
 Above Ground Utility: 1462 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	T1N R65W: Sec.27 &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: 496 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: 18639 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: 80 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 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? 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**

<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	40	0	2437	662	2437	0
1ST	8+1/2	5+1/2	P110	20	0	18639	2297	18639	

 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	Arapahoe	0	0	971	963	1001-10000	USGS	USGS-400229104403901 (1720 mg/L)
Groundwater	Fox Hills	971	963	1248	1227	0-500	USGS	USGS-400058104361201 (434mg/L)
Confining Layer	Pierre	1248	1227	1783	1709			
Groundwater	Upper Porosity Pierre	1783	1709	2372	2197	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	Pierre	2372	2197	4975	4342			
Hydrocarbon	Parkman	4975	4342	5241	4561			Non-productive horizon
Confining Layer	Pierre	5241	4561	5333	4637			
Hydrocarbon	Sussex	5333	4637	5669	4914			Non-productive horizon
Confining Layer	Pierre	5669	4914	6070	5244			
Hydrocarbon	Shannon	6070	5244	6561	5649			Non-productive horizon
Confining Layer	Pierre	6561	5649	7289	6249			
Hydrocarbon	Sharon Springs	7289	6249	8399	7114			Non-productive horizon
Hydrocarbon	Niobrara	8399	7114	18639	7479			

**OPERATOR COMMENTS AND SUBMITTAL**

Comments



## 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.

<u>COA Type</u>	<u>Description</u>
Drilling/Completion Operations	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	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.
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. 123-10319 GLEN YOUNG #1 123-12691 JORDAN #34-6 123-12917 JORDAN #34-7 123-12937 JORDAN #34-9 123-13280 JORDAN #34-8 123-14809 JORDAN-LOUSTAUNAU #34-10 123-19677 HSR-CHERRY KNOLLS #9-33
Drilling/Completion Operations	Operator acknowledges the proximity of the listed wells. Operator agrees to: provide mitigation option 1 or 2 (per the Offset Well Evaluation and Hydraulic Fracturing Operator Guidance Document) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") stating that appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. 123-10612 JORDAN, IVAR #1 123-12421 Jordan #34-2 123-12567 Jordan #34-3 123-12670 JORDAN #34-5 123-12709 JORDAN #34-4
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.
5 COAs	

## Best Management Practices

<b>No</b>	<b>BMP/COA Type</b>	<b>Description</b>
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

<b>Att Doc Num</b>	<b>Name</b>
403130637	FORM 2 SUBMITTED
403132092	WELL LOCATION PLAT
403132097	DEVIATED DRILLING PLAN
403132101	OTHER
403132102	DIRECTIONAL DATA
403150051	OffsetWellEvaluations Data
403166599	OffsetWellEvaluations Data
403204773	OFFSET WELL EVALUATION

Total Attach: 8 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed.	10/18/2022
Permit	Made the following changes with concurrence from the operator: - Corrected Spacing Order to 407-3364 - Corrected Unit Configuration under Spacing & Formations tab. - Corrected Beyond Unit Setback comment from BHL to Bottom-hole Location under submit tab.  Permit Review Complete	10/17/2022
Permit	Emailed operator for the following: - Provide Surety ID - Confirm Spacing Order - Updated Unit Configuration Info - Confirm correcting Beyond Unit Setback comment under submit tab  Made the following changes with concurrence from the operator: - Added missing Surety ID	10/10/2022
OGLA	The Commission approved OGDG #482044 on August 31, 2022 for the Oil and Gas Location related to this Form 2. OGLA task passed.	09/16/2022

Total: 4 comment(s)