

FORM
2

Rev
05/22

State of Colorado Oil and Gas Conservation Commission

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Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

403402941

(SUBMITTED)

Date Received:

05/26/2023

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: Shallot Well Number: 1930-21H
 Name of Operator: VERDAD RESOURCES LLC COGCC Operator Number: 10651
 Address: 1125 17TH STREET SUITE 550
 City: DENVER State: CO Zip: 80202
 Contact Name: Allison Schieber Phone: (720)845-6909 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: NESW Sec: 19 Twp: 1N Rng: 64W Meridian: 6

Footage at Surface: 1875 Feet FSL 1771 Feet FWL

Latitude: 40.034702 Longitude: -104.596487

GPS Data: GPS Quality Value: 1.2 Type of GPS Quality Value: PDOP Date of Measurement: 04/19/2023

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: 64W Footage at TPZ: 2640 FSL 2596 FWL
Measured Depth of TPZ: 7593 True Vertical Depth of TPZ: 6950 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 30 Twp: 1N Rng: 64W Footage at BPZ: 460 FSL 2626 FWL
Measured Depth of BPZ: 15064 True Vertical Depth of BPZ: 6950 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 30 Twp: 1N Rng: 64W Footage at BHL: 370 FSL 2626 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? [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: 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: [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.)

Section 19: Lot A,B, and C Located S2 : 1N 64W Please see attached map

Total Acres in Described Lease: 240 Described Mineral Lease is: [X] Fee [] State [] Federal [] Indian

Federal or State Lease #

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 737 Feet
Building Unit: 1698 Feet
Public Road: 1741 Feet
Above Ground Utility: 778 Feet
Railroad: 5280 Feet
Property Line: 1771 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	407-3414	1280	Section 19&30 1N 64W: 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: 705 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

Section 19&30 1N 64W: ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 15154 Feet TVD at Proposed Total Measured Depth 6950 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 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	24	16	ASTM	65	0	80	70	80	0
SURF	13+1/2	9+5/8	J55	36	0	2121	576	2121	0
1ST	8+1/2	5+1/2	P110	20	0	15154	1934	15154	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	630	630	501-1000	USGS	USGS-400237104354401 600 mg/L
Groundwater	FOX HILLS	630	630	1151	1140	501-1000	USGS	USGS-400111104354501 738 mg/L
Confining Layer	PIERRE	1151	1140	1621	1591			
Groundwater	UPPER PIERRE POROSITY	1621	1591	2086	2037	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	PIERRE	2086	2037	4266	4127			
Hydrocarbon	PARKMAN	4266	4127	4464	4316			Non Productive Horizon
Confining Layer	PIERRE	4464	4316	4592	4439			
Hydrocarbon	SUSSEX	4592	4439	4944	4777			Non Productive Horizon
Confining Layer	PIERRE	4944	4777	5462	5273			
Hydrocarbon	SHANNON	5462	5273	5748	5547			Non Productive Horizon
Confining Layer	PIERRE	5748	5547	7287	6886			
Hydrocarbon	SHARON SPRINGS	7287	6886	7323	6900			Non Productive Horizon
Hydrocarbon	NIOBRARA	7323	6900	15154	6950			

OPERATOR COMMENTS AND SUBMITTAL

Comments

Best Management Practices

No	BMP/COA Type	Description
1	Construction	If conductors are preset, operator shall comply with Rule 406.e.
2	Drilling/Completion Operations	Operator will log two wells during the rig occupation, with open hole resistivity log and gamma ray log from kick off point into the surface casing for the 2 stratigraphically deepest wells, one well from the Chive 2536 and one well from the Shallot 1930. 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 gammaray 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.
3	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.
4	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
5	Drilling/Completion Operations	Operator will comply with COGCC policy on brandenhead monitoring during hydraulic fracturing treatments in the Greater Wattenberg Area per policy dated may 29 2012.
6	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 non of the wellbore beyond the setback was completed

Total: 6 comment(s)

Attachment List

Att Doc Num	Name
403411214	WELL LOCATION PLAT
403411215	OTHER
403411216	DEVIATED DRILLING PLAN
403411217	DIRECTIONAL DATA
403414150	MINERAL LEASE MAP
403414805	OffsetWellEvaluations Data

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
		Stamp Upon Approval

Total: 0 comment(s)