

FORM
2

Rev
05/22

State of Colorado

Energy & Carbon Management Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

403475394

(SUBMITTED)

Date Received:

10/26/2023

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: Ramen 1423 Well Number: 03H
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): 20230030

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: 12 Twp: 1N Rng: 65W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 2215 Feet FSL 2347 Feet FEL

Latitude: 40.064787 Longitude: -104.611076

GPS Data: GPS Quality Value: 1.6 Type of GPS Quality Value: PDOP Date of Measurement: 07/22/2022

Ground Elevation: 4071

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: 14 Twp: 1N Rng: 65W Footage at TPZ: 460 FNL 1722 FWL
Measured Depth of TPZ: 10559 True Vertical Depth of TPZ: 7050 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 23 Twp: 1N Rng: 65WFootage at BPZ: 460 FSL 1728 FWLMeasured Depth of BPZ: 20249True Vertical Depth of BPZ: 7050 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 23 Twp: 1N Rng: 65WFootage at BHL: 370 FSL 1728 FWL

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: 10/11/2019

Comments: WOGLA19-0156**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.)

T1N R65W. Sec. 23: N2Total Acres in Described Lease: 320Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1943 Feet
Building Unit: 1946 Feet
Public Road: 2185 Feet
Above Ground Utility: 689 Feet
Railroad: 5280 Feet
Property Line: 297 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 | 407-3518 | 1280 | Sec. 14 & 23 T1N R65W |

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: 621 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

Sec. 14 & 23 T1N R65W

DRILLING PROGRAMProposed Total Measured Depth: 20339 FeetTVD at Proposed Total Measured Depth 7050 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: 445 Feet ☐ No well belonging to another operator within 1,500 feetWill a closed-loop drilling system be used? YesIs H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater thanor 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? 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 ☐ NoneBeneficial reuse or land application plan submitted? No

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 | 65 | astm | 0 | 80 | 92 | 80 | 0 |
| SURF | 13+1/2 | 9+5/8 | 36 | j55 | 0 | 2159 | 586 | 2159 | 0 |
| 1ST | 8+1/2 | 5+1/2 | 20 | 0 | 0 | 20339 | 2505 | 20339 | 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 | 410 | 410 | 501-1000 | USGS | USGS-400237104354401 (600 mg/L) |
| Groundwater | FOX HILLS | 410 | 410 | 1009 | 1000 | 501-1000 | USGS | USGS-400438104355101 (738 mg/L) |
| Confining Layer | PIERRE | 1009 | 1000 | 1503 | 1463 | | | |
| Groundwater | UPPER PIERRE POROSITY | 1503 | 1463 | 2096 | 1970 | 1001-10000 | Other | CO DNR Report Project Number 2141 |
| Confining Layer | PIERRE | 2096 | 1970 | 5356 | 4062 | | | |
| Hydrocarbon | SHANNON | 4062 | 5121 | 7576 | 5440 | | | Non producing Horizon |
| Confining Layer | PIERRE | 5632 | 4233 | 5804 | 4340 | | | |
| Hydrocarbon | SUSSEX | 5804 | 4340 | 6357 | 4683 | | | Non producing Horizon |
| Confining Layer | PIERRE | 6357 | 4683 | 4062 | 5121 | | | |
| Hydrocarbon | SHANNON | 7062 | 5121 | 7576 | 5440 | | | Non producing Horizon |
| Confining Layer | PIERRE | 7576 | 5440 | 9908 | 6873 | | | |
| Hydrocarbon | SHARON SPRINGS | 9908 | 6873 | 9976 | 6906 | | | Non producing Horizon |
| Hydrocarbon | NIOBRARA | 9976 | 6906 | 20339 | 7050 | | | |

OPERATOR COMMENTS AND SUBMITTAL

Comments

The nearest offset well completed in the same formation is the Ramen 1423 02H measured in 2D using GIS mapping. The nearest well belonging to another operator is the Steinwald #37 operated by Nobel, PA status and measured in 3D using the anti collision report, attached as other. This well has a bottom hole location beyond the unit boundary setback. The bottom of the completed interval will be within the boundary set back at 460 FSL and 1728 FWL of Section 23. The wellbore beyond the unit setback will be physically isolated and will not be completed. Verdad is refiling this permit to change the name, surface hole, top and bottom of the production zone and the bottom hole location. These changes required an updated total depth, revisions to the casing and cementing plan, and cultural distance information. This location is built.

This application is in a Comprehensive Area Plan No CAP #: _____
Oil and Gas Development Plan Name _____ OGDID #: _____
Location ID: 469568
I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.
Signed: _____ Print Name: Allison Schieber
Title: Sr Regulatory Analyst Date: 10/26/2023 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

05 123 50674 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.

COA Type

Description

0 COA

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|--------------------------------|---|
| 1 | 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. |
| 2 | 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. |
| 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. |

Total: 4 comment(s)

Attachment List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|----------------------------|
| 403538945 | OffsetWellEvaluations Data |
| 403538952 | WELL LOCATION PLAT |
| 403538953 | DEVIATED DRILLING PLAN |
| 403538955 | OTHER |
| 403538958 | DIRECTIONAL DATA |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | Stamp Upon Approval |

Total: 0 comment(s)