

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:

403930798

(SUBMITTED)

Date Received:

09/30/2024

APPLICATION FOR PERMIT TO

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and OperateAmend ☐TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____Refile ☒ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: KBL 1918 Well Number: 15H
Name of Operator: VERDAD RESOURCES LLC ECMC 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

ECMC Financial Assurance

☒ The Operator has provided or will provide Financial Assurance to the ECMC 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: 19 Twp: 2N Rng: 63W Meridian: 6

FNL/FSL

FEL/FWL

Footage at Surface: 1805 Feet FSL 1976 Feet FEL

Latitude: 40.121604 Longitude: -104.477908

GPS Data: GPS Quality Value: 2.1 Type of GPS Quality Value: PDOP Date of Measurement: 09/04/2024

Ground Elevation: 4862

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: 19 Twp: 2N Rng: 63W Footage at TPZ: 2330 FSL 1971 FWL

Measured Depth of TPZ: 7266 True Vertical Depth of TPZ: 6671 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 18 Twp: 2N Rng: 63WFootage at BPZ: 2175 FSL 1977 FWLMeasured Depth of BPZ: 12391True Vertical Depth of BPZ: 6671 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 18 Twp: 2N Rng: 63WFootage at BHL: 2265 FSL 1977 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: 11/14/2019Comments: WOGLA19-0009**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.)

T2N R63W: E2, E2W2 Section 18
Part of the E2 lying South of the Railroad ROW Section 19
W2 Section 20

Total Acres in Described Lease: 1308 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian
Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 1598 Feet
Building Unit: 1650 Feet
Public Road: 931 Feet
Above Ground Utility: 1318 Feet
Railroad: 802 Feet
Property Line: 698 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	407-3143	1600	T2N R63W Section 18 S2 Section 19 ALL Section 30 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: 464 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: 746 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

T2N R63W Section 18 S2 Section 19 ALL Section 30 ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 12481 Feet

TVD at Proposed Total Measured Depth 6671 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: 312 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? 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	24	16	astm	65	0	80	92	80	0
SURF	13+1/2	9+5/8	j55	36	0	1844	501	1844	0
1ST	8+1/2	5+1/2	p110	20	0	12481	1639	12481	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	185	185	1001-10000	USGS	USGS-400753104251501 (3400mg/L)
Groundwater	FOX HILLS	185	185	730	730	501-1000	USGS	USGS-400539104270301 (539 mg/L)
Confining Layer	PIERRE	730	730	1272	1262			
Hydrocarbon	UPPER PIERRE POROSITY	1272	1262	1777	1751	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	PIERRE	1777	1751	3849	3758			
Hydrocarbon	PARKMAN	3849	3758	4085	3986			non productive horizon
Confining Layer	PIERRE	4085	3986	4179	4077			
Hydrocarbon	SUSSEX	4179	4077	4620	4505			non productive horizon
Confining Layer	PIERRE	4620	4505	5062	4933			
Hydrocarbon	SHANNON	5062	4933	5378	5239			non productive horizon
Confining Layer	PIERRE	5378	5239	6829	6546			
Hydrocarbon	SHARON SPRINGS	6829	6546	6887	6576			non productive horizon
Hydrocarbon	NIOBRARA	6887	6576	12481	6671			

OPERATOR COMMENTS AND SUBMITTAL

Comments This location has been built.
This well is being refiled using existing API 05-123-50888 expired permit.
The distance from the proposed well to the nearest portion of offset wellbore in the same formation is the KBL 1918 14H measured in 2D. The distance from the proposed well to the nearest well belonging to another operator is Berglund Myers 1 (API 05-123-11868) operated by Barrett Resources PA status, measured in 3D using anti collision report attached as other

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

Oil and Gas Development Plan Name _____ OGDP ID#: _____

Location ID: 471229

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: Regulatory Date: 9/30/2024 Email: regulatory@verdadresources.c

Based on the information provided herein, this Application for Permit-to-Drill complies with ECMC Rules, applicable orders, and SB 19-181 and is hereby approved.

ECMC Approved: _____ Director of ECMC Date: _____
Expiration Date: _____

API NUMBER

05 123 50888 00

CONDITIONS OF APPROVAL, IF ANY LIST

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

No BMP/COA Type

Description

1	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.
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	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: 3 comment(s)

ATTACHMENT LIST

Att Doc Num

Name

403932319	DEVIATED DRILLING PLAN
403932321	OTHER
403932325	WELL LOCATION PLAT
403932352	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)

