

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:

403930729

(SUBMITTED)

Date Received:

09/30/2024

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: KBL 1918 Well Number: 16H
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

Footage at Surface: 1805 Feet FSL 1961 Feet FEL

Latitude: 40.121604 Longitude: -104.477855

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 2717 FWL

Measured Depth of TPZ: 7200 True Vertical Depth of TPZ: 6737 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 18 Twp: 2N Rng: 63W Footage at BPZ: 2174 FSL 2726 FWL
Measured Depth of BPZ: 12319 True Vertical Depth of BPZ: 6737 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 18 Twp: 2N Rng: 63W Footage at BHL: 2264 FSL 2726 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: 11/14/2019

Comments: 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: [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.)

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: 1612 Feet
Building Unit: 1664 Feet
Public Road: 938 Feet
Above Ground Utility: 1315 Feet
Railroad: 808 Feet
Property Line: 704 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: 465 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: 12410 Feet

TVD at Proposed Total Measured Depth 6737 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: 738 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	65	ASTM	0	80	70	80	0
SURF	13+1/2	9+5/8	36	J55	0	1822	495	1822	0
1ST	8+1/2	5+1/2	20	P110	0	12410	1632	12410	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	1262	1262			
Groundwater	UPPER PIERRE POROSITY	1262	1262	1756	1751	1001-10000	USGS	CO DNR Report Project Number 2141
Confining Layer	PIERRE	1756	1751	3783	3758			
Hydrocarbon	PARKMAN	3783	3758	4013	3986			non productive horizon
Confining Layer	PIERRE	4013	3986	4105	4077			
Hydrocarbon	SUSSEX	4105	4077	4537	4505			non productive horizon
Confining Layer	PIERRE	4537	4505	4969	4933			
Hydrocarbon	SHANNON	4969	4933	5278	5239			non productive horizon
Confining Layer	PIERRE	5278	5239	6662	6546			
Hydrocarbon	SHARON SPRINGS	6662	6546	6708	6576			non productive horizon
Hydrocarbon	NIOBRARA	6708	6576	12410	6747			

OPERATOR COMMENTS AND SUBMITTAL

Comments

This location has been built.
 This location has been built. This well is a refile of KBL 1918 04H API 05-123-50891.
 The distance from the proposed well to the nearest portion of offset wellbore in the same formation is the KBL 1918 15H measured in 2D. The distance from the proposed well to the nearest well belonging to another operator is Elmer Kauffman 2 (API 05-123-40000) operated by Arch SI 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 _____ OGDID#: _____

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 50891 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.

<u>COA Type</u>	<u>Description</u>
0 COA	

Best Management Practices

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

<u>Att Doc Num</u>	<u>Name</u>
403932649	DEVIATED DRILLING PLAN
403932650	OTHER
403932652	WELL LOCATION PLAT
403932658	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

User Group

Comment

Comment Date

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

Total: 0 comment(s)

