

FORM
2

Rev
10/24

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:

404049009

(SUBMITTED)

Date Received:

01/07/2025

APPLICATION FOR PERMIT TO

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate Amend ☒

TYPE OF WELL OIL ☒ GAS ☒ COALBE ☐ GEOTHERMAL ☐ OTHER: _____

Refile ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: KBL 1918 Well Number: 14H
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): 2003030

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 1989 Feet FEL

Latitude: 40.121605 Longitude: -104.477955

GPS Data: GPS Quality Value: 1.9 Type of GPS Quality Value: PDOP Date of Measurement: 11/14/2024

Ground Elevation: 4862

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: 2N Rng: 63W Footage at TPZ: 2330 FSL 2717 FWL
Measured Depth of TPZ: 7139 True Vertical Depth of TPZ: 6675 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 19 Twp: 2N Rng: 63WFootage at BPZ: 2420 FSL 1226 FWLMeasured Depth of BPZ: 18103True Vertical Depth of BPZ: 6675 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 19 Twp: 2N Rng: 63WFootage at BHL: 2330 FSL 1226 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 and §37-90.5-107(2)(b)(I) C.R.S, the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas or Geothermal Locations.

The Energy and Carbon Management Act and the Geothermal Resources Act provide 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.

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: 1041WOGLA19-0009

GEOTHERMAL

Well Overview

The following questions determine informational requirements based on Well type:

Which type of Geothermal Well is this? Select one of the following:

Will this well be constructed using cementing methodologies other than those listed in Rule 408.f?

If Yes, what method will be used:

Please describe the cementing method to be used in detail:

Geothermal Resource Units

Fill out the information below to submit an application for a Geothermal Resource Unit (GRU) as part of the current permit application. This may also be completed later using a Form 4 Sundry.

Will this Well be in an existing GRU?

Are you submitting your application for a new GRU as part of the current application?

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS OR GEOTHERMAL LOCATION

Surface Owner of the land at this Well's Oil and Gas Or Geothermal Location:

☒ Fee ☐ State ☐ Federal ☐ Indian

Mineral Owner beneath this Well's Oil and Gas Or Geothermal 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: 1585 Feet
Building Unit: 1636 Feet
Public Road: 925 Feet
Above Ground Utility: 1321 Feet
Railroad: 796 Feet
Property Line: 691 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	407-2326	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: 480 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: 18193 Feet

TVD at Proposed Total Measured Depth 6675 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: 257 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

<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	24	16	astm	65	0	80	92	80	0
SURF	13+1/2	9+5/8	j55	36	0	1804	490	1804	0
1ST	8+1/2	5+1/2	p110	20	0	18193	2269	18193	0

☐ 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	186	186	1001-10000	USGS	USGS-400753104251501 (3400mg/L)
Groundwater	FOX HILLS	186	186	731	731	501-1000	USGS	USGS-400539104270301 (539 mg/L)
Confining Layer	PIERRE	731	731	1263	1263			
Groundwater	UPPER PIERRE POROSITY	1263	1263	1753	1752	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	PIERRE	1753	1752	3782	3759			
Hydrocarbon	PARKMAN	3782	3759	4012	3987			NON PRODUCTIVE HORIZON
Confining Layer	PIERRE	4012	3987	4104	4078			
Hydrocarbon	SUSSEX	4104	4078	4537	4506			NON PRODUCTIVE HORIZON
Confining Layer	PIERRE	4537	4506	4970	4934			
Hydrocarbon	SHANNON	4970	4934	5279	5240			NON PRODUCTIVE HORIZON
Confining Layer	PIERRE	5279	5240	6701	6547			
Hydrocarbon	SHARON SPRINGS	6701	6547	6758	6577			NON PRODUCTIVE HORIZON
Hydrocarbon	NIOBRARA	6758	6577	18193	6675			

OPERATOR COMMENTS AND SUBMITTAL

Comments This location has been built.
This well is an amendment existing API 05-123-50887. The TPZ, BPZ, BHL, drilling information, casing information, and associated attachments have been changed.
The distance from the proposed well to the nearest portion of offset wellbore in the same formation is the Hornet State 0136 05H measured in 2D. The distance from the proposed well to the nearest well belonging to another operator is Guttersen YY18-764 (API 05-123-52455) operated by Barrett Resources PA status, measured in 3D using 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 unit boundary setback at 2420' FSL and 1226' FWL of Section 19 2N 63W. The wellbore beyond the unit boundary setback will be physically isolated and will not be completed.

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

Oil and Gas Development Plan Name _____ OGDID 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: 1/7/2025 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 50887 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**

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ATTACHMENT LIST

Att Doc Num **Name**

404050815	DEVIATED DRILLING PLAN
404050816	DIRECTIONAL DATA
404050818	OTHER
404050917	OffsetWellEvaluations Data
404050961	WELL LOCATION PLAT

Total Attach: 5 Files

General Comments

User Group **Comment**

Comment Date

		Stamp Upon Approval
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Total: 0 comment(s)