

FORM 2 Rev 12/20

State of Colorado Oil and Gas Conservation Commission

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APPLICATION FOR PERMIT TO:

[X] Drill [] Deepen [] Re-enter [] Recomplete and Operate

Amend [] Refile [X] Sidetrack []

TYPE OF WELL OIL [X] GAS [] COALBED [] OTHER: ZONE TYPE SINGLE ZONE [X] MULTIPLE ZONES [] COMMINGLE ZONES []

Well Name: Schneider 1414 Well Number: 01H Name of Operator: VERDAD RESOURCES LLC COGCC Operator Number: 10651 Address: 1125 17TH STREET SUITE 550 City: DENVER State: CO Zip: 80202 Contact Name: Heather Mitchell Phone: (720)845-6917 Fax: () Email: regulatory@verdadresources.com

RECLAMATION FINANCIAL ASSURANCE Plugging and Abandonment Bond Surety ID: 20170009

WELL LOCATION INFORMATION

Surface Location QtrQtr: NENW Sec: 14 Twp: 8N Rng: 60W Meridian: 6 Footage at Surface: 241 Feet FNL 1333 Feet FWL Latitude: 40.669102 Longitude: -104.062553 GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP Date of Measurement: 05/24/2018 Ground Elevation: 4943 Field Name: WILDCAT Field Number: 99999

Well Plan: is [] Directional [X] 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: 8N Rng: 60W Footage at TPZ: 300 FNL 2317 FWL Measured Depth of TPZ: 6585 True Vertical Depth of TPZ: 6100 FNL/FSL FEL/FWL Base of Productive Zone (BPZ) Sec: 14 Twp: 8N Rng: 60W Footage at TPZ: 330 FSL 2318 FWL Measured Depth of TPZ: 11260 True Vertical Depth of TPZ: 6100 FNL/FSL FEL/FWL Bottom Hole Location (BHL) Sec: 14 Twp: 8N Rng: 60W Footage at BHL: 210 FSL 2317 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? 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: 06/21/2019

Comments:

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 Indian

Mineral Owner beneath this Well's Oil and Gas Location: Fee State Federal Indian

Surface Owner Protection Financial Assurance (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.)

W2 Section 14 08N-60W 6th PM – 320 ACRES

Total Acres in Described Lease: 320 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 5280 Feet
Building Unit: 5280 Feet
Public Road: 1303 Feet
Above Ground Utility: 1365 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.

Railroad: 5280 Feet
Property Line: 241 Feet

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	535-1097	640	Sec. 14 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: 300 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: 765 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 T8N R60W ALL- 640 Acres

DRILLING PROGRAM

Proposed Total Measured Depth: 11290 Feet TVD at Proposed Total Measured Depth 6100 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: 358 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	ASTM53	65	0	80	70	80	0
SURF	13+1/2	9+5/8	J55	36	0	1800	489	1800	0
1ST	8+1/2	5+1/2	HCP110	20	0	11380	1518	11380	

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	Alluvial Fill	20	20	215	215	501-1000	USGS	
Groundwater	Fox Hills	215	215	490	490	501-1000	USGS	
Confining Layer	Pierre	490	490	875	875			
Groundwater	Upper Pierre Porosity	875	875	1576	1576	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	Pierre	1576	1576	3327	3327			
Hydrocarbon	Parkman	3380	3380	3804	3804			
Hydrocarbon	Pierre	3804	3804	6000	6600			
Hydrocarbon	Sharon Spring	6665	6000	6765	6100			
Hydrocarbon	Niobrara	6765	6100	11380	6100			

OPERATOR COMMENTS AND SUBMITTAL

Comments

The distance to the nearest well completed or permitted in the same formation was measured to the Schneider 1414-02H for a distance of 765 ft.
 The nearest proposed well belonging to another operator is the Pintail Fed 2-11 5HN (API 05-123-46555) measured in 3D at 358' taken from the anti-collision plan
 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 300' FNL/FSL and 300' FEL/FWL of Section 14. 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 _____ OGDP ID#: _____
 Location ID: 432178

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Heather Mitchell

Title: Regulatory Manager Date: 4/5/2021 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 50271 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

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Best Management Practices

No BMP/COA Type

Description

1	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.
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	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.

Total: 3 comment(s)

Attachment List

Att Doc Num

Name

402632609	OffsetWellEvaluations Data
402632723	WELL LOCATION PLAT
402632724	OTHER
402634826	DEVIATED DRILLING PLAN
402648080	WELL LOCATION PLAT
402648086	DEVIATED DRILLING PLAN

Total Attach: 6 Files

General Comments

User Group

Comment

Comment Date

Permit	Returned to draft per operator request.	03/31/2021
Permit	BHL is within DSU setback, but operator comment on Submit tab refers to drilling beyond the setback. Requesting more information from the operator.	03/30/2021

Total: 2 comment(s)

Public Comments

No public comments were received on this application during the comment period.

