

FORM
2

Rev
12/20

State of Colorado

Oil and Gas Conservation Commission

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



Document Number:

402628759

(SUBMITTED)

Date Received:

04/05/2021

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Amend

Refile

Sidetrack

TYPE OF WELL OIL GAS COALBED OTHER: _____
ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Well Name: Schneider 1414 Well Number: 04H
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 1381 Feet FWL
Latitude: 40.669102 Longitude: -104.062379
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 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 670 FEL
Measured Depth of TPZ: 7402 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 670 FWL
Measured Depth of TPZ: 12079 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 670 FEL
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: 1351 Feet
Above Ground Utility: 1413 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 - 640 acres

DRILLING PROGRAM

Proposed Total Measured Depth: 12199 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: 386 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? _____

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 | 12199 | 1608 | 12199 | |

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 Porosity Pierre | 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 | 6000 | | | |
| Hydrocarbon | Sharon Springs | 6000 | 6665 | 6100 | 6675 | | | |
| Hydrocarbon | Niobrara | 6675 | 12199 | 6100 | 6100 | | | |

OPERATOR COMMENTS AND SUBMITTAL

Comments

The distance to the nearest well completed or permitted in the same formation was measured to the Schneider 1414-4H for a distance of 765ft.
 Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator was measured in 3D according to anti-collision plan to the Pintail Fed 2-11-8HN (API 123-46546) for a distance of 386ft.
 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 50266 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

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

| | |
|-----------|----------------------------|
| 402632961 | OffsetWellEvaluations Data |
| 402632970 | WELL LOCATION PLAT |
| 402632972 | OTHER |
| 402634882 | DEVIATED DRILLING PLAN |
| 402648175 | DIRECTIONAL DATA |
| 402648176 | WELL LOCATION PLAT |
| 402648178 | DEVIATED DRILLING PLAN |

Total Attach: 7 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.

