

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:

402684480

(SUBMITTED)

Date Received:

09/07/2021

APPLICATION FOR PERMIT TO:

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

Amend ☐

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____

Refill ☒

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: Timbro 1717 Well Number: 09H
Name of Operator: VERDAD RESOURCES LLC COGCC 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

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20170009

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 17 Twp: 9N Rng: 59W Meridian: 6
Footage at Surface: 334 Feet FNL/FSL 956 Feet FEL/FWL FEL
Latitude: 40.756874 Longitude: -103.996059
GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP Date of Measurement: 03/17/2018
Ground Elevation: 5010
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: 17 Twp: 9N Rng: 59W Footage at TPZ: 300 FNL 1876 FWL
Measured Depth of TPZ: 7167 True Vertical Depth of TPZ: 6250 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 17 Twp: 9N Rng: 59W Footage at BPZ: 300 FSL 1884 FWL
Measured Depth of BPZ: 11893 True Vertical Depth of BPZ: 6250 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 17 Twp: 9N Rng: 59W Footage at BHL: 210 FSL 1884 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: 10/11/2019

Comments: WOGLA19-0203 Approved 10.11.19

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.)

E2 Sec 17 ,T9N, R59W

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: 1719 Feet
Building Unit: 1664 Feet
Public Road: 304 Feet
Above Ground Utility: 364 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: 334 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	535-1286	640	Sec17: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: 605 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

DRILLING PROGRAM

Proposed Total Measured Depth: 11983 Feet TVD at Proposed Total Measured Depth 6250 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: 843 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	26	16	ASTM53	65	0	80	70	80	0
SURF	13+1/2	9+5/8	J55	36	0	1765	479	1765	0
1ST	8+1/2	5+1/2	P110	20	0	11983	1585	11983	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	Alluvial Fill	0	0	450	450	501-1000	USGS	USGS-404200104042401
Groundwater	Fox Hills	450	450	651	650	0-500	USGS	USGS-410233104093202
Confining Layer	Pierre	651	650	1031	1022			
Groundwater	Upper Pierre Porosity	1031	1022	1709	1650	501-1000	USGS	USGS-395916104522601
Confining Layer	Pierre	1709	1650	3616	3370			
Hydrocarbon	Parkman	3616	3370	4234	3927			
Confining Layer	Pierre	4234	3927	4614	4270			
Hydrocarbon	Shannon	4614	4270	5234	4829			
Confining Layer	Pierre	5234	4829	6612	6043			
Hydrocarbon	Sharon Springs	6612	6043	6786	6149			
Hydrocarbon	Niobrara	6786	6149	11983	6250			

OPERATOR COMMENTS AND SUBMITTAL

Comments Verdad is refiling this application for permit to drill, original permit expiration is 11/01/21.

The nearest well completed or permitted in the same formation is the Timbro 1717 10H. Measured in 2D using GIS Mapping.

The distance from the proposed wellbore to the nearest existing or proposed wellbore belonging to another operator is the Tina LC29-77-1HNA operated by Noble . Measured in 3D using an anti collision report, 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 300' FSL and 1884' FWL of Section 17. 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: 468967

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: Sr. Regulatory Analyst Date: 9/7/2021 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 50613 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

Drilling/Completion Operations	If the location has not been built by the Form 2A (Doc #401601637) expiration date of 11/01/2022, Operator must apply for an OGDPA and submit a Refile the Form 2A for approval prior to location construction.
Drilling/Completion Operations	Operator will ensure the wellbore beyond the unit boundary setback is physically isolated and is not completed. In the Operator Comments on the Form 5A the operator will (1) report the footages from the section lines of the bottom of the completed interval (2) describe how the wellbore beyond the unit boundary setback is physically isolated and (3) certify that none of the wellbore beyond the setback was completed.

Best Management Practices

No BMP/COA Type

Description

1 Drilling/Completion Operations	Operator will perform anti collision evaluation of all active (producing, shut-in, or temporarily abandoned) offset wellbores that have the potential of being within 150' 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 30 days during drilling operations pressure testing of the casing string and each component of the blowout prevention (equipment including flange connections) shall be performed to 70% of working pressure or 70% of the internal yield of casing, whichever is less. Pressure testing shall be conducted and results shall be documented and retained by the operator, for inspection by the Director for a period of 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 an Open Hole Resistivity Log and a Gamma Ray Log, from the kick off point 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 (MWD) Gamma Ray Log. The Form 5 for each well on the pad will list all logs run and all logs run will be attached. The Form 5 for a well without Open Hole Logs shall clearly state, "Alternative logging program- no Open Hole Logs were run" as well as identifying the API#, well name, and number of the pad well the Open Hole Log was run on.

Total: 3 comment(s)

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
402690160	WELL LOCATION PLAT
402690162	DEVIATED DRILLING PLAN
402690166	OTHER
402690177	OffsetWellEvaluations Data
402800898	WELL LOCATION PLAT
402802355	DIRECTIONAL DATA
402802356	OTHER
402802357	DEVIATED DRILLING PLAN

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator has requested this application be returned to draft.	06/15/2021
Permit	<p>This application should be Amended, not Refiled. The Surface Location of this Well is in an area designated as one of State interest and is subject to the requirements of § 24-65.1-108 C.R.S. This Answer should be Yes. Spacing Order Number is incorrect. This well has a bottom hole beyond the unit setback, but no comment is present from operator.</p> <p>With operator concurrence, the following was corrected: Refile was corrected to Amend. Corrected the answer to State Interest § 24-65.1-108 C.R.S. to Yes. Spacing Order Number was corrected to 535-1286.</p>	06/15/2021

Total: 2 comment(s)

Public Comments

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

