

FORM 2 Rev 05/22

State of Colorado Oil and Gas Conservation Commission

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APPLICATION FOR PERMIT TO

Application type selection: Drill (checked), Deepen, Re-enter, Recomplete and Operate, Amend, Refile (checked), Sidetrack.

Well information: Well Name: Timbro, Well Number: 0112-03H, 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

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance: The Operator has provided or will provide Financial Assurance to the COGCC for this Well. Surety ID Number: 20170009

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: NWNE, Sec: 1, Twp: 9N, Rng: 59W, Meridian: 6, Footage at Surface: 316 Feet FNL, 1977 Feet FEL, Latitude: 40.786591, Longitude: -103.924461, GPS Data: GPS Quality Value: 2.1, Type of GPS Quality Value: PDOP, Date of Measurement: 12/12/2022, Ground Elevation: 4940, Field Name: DJ HORIZONTAL NIOBRARA, Field Number: 16950, Well Plan: is Horizontal (highly deviated) (checked)

Subsurface Locations: Top of Productive Zone (TPZ), Sec: 1, Twp: 9N, Rng: 59W, Footage at TPZ: 300 FNL, 1532 FEL, Measured Depth of TPZ: 6725, True Vertical Depth of TPZ: 6050 FNL/FSL, FEL/FWL

Base of Productive Zone (BPZ)

Sec: 12 Twp: 9N Rng: 59W Footage at BPZ: 300 FSL 1782 FWL
Measured Depth of BPZ: 16737 True Vertical Depth of BPZ: 6050 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 12 Twp: 9N Rng: 59W Footage at BHL: 210 FSL 1785 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: 10/11/2019

Comments: WOGLA19-0184. This location is built with existing surface hole locations

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.)

Lease and Mineral Information:
Township 9 North, Range 59 West
Section 1: N/2
Containing approximately 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: 2914 Feet
Building Unit: 5280 Feet
Public Road: 307 Feet
Above Ground Utility: 439 Feet
Railroad: 5280 Feet
Property Line: 316 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	535-1427	1280	T9NR59W: Sec.1 & 12 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: 601 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

T9NR59W: Sec.1 & 12 ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 16828 Feet TVD at Proposed Total Measured Depth 6050 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: 689 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	26	16	ASTM	65	0	80	70	80	0
SURF	13+1/2	9+5/8	J55	36	0	1693	774	1693	0
1ST	8+1/2	5+1/2	P110	20	0	16828	2118	16828	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	Alluvial Fill	0	0	205	205	0-500	USGS	TDS from sample sites USGS-404200104042401 (836 mg/mL), USGS-410223104065901 (369mg/mL)
Groundwater	Fox Hills	205	205	664	663	0-500	USGS	TDS from sample sites USGS-410233104093201 (384mg/mL)
Confining Layer	Pierre	664	663	1192	1183			
Groundwater	Upper Pierre Porosity	1192	1183	1720	1683	501-1000	Other	CO DNR Report Project Number 2141
Confining Layer	Pierre	1720	1683	3636	3482			
Hydrocarbon	Parkman	3636	3482	4065	3886			Non-producing horizon
Confining Layer	Pierre	4065	3886	4336	4140			
Hydrocarbon	Sussex	4336	4140	4679	4463			Non-producing horizon
Hydrocarbon	Shannon	4679	4463	5553	5283			Non-producing horizon
Confining Layer	Pierre	5553	5283	6197	5853			
Hydrocarbon	Sharon Springs	6197	5853	6256	5893			Non-producing horizon
Hydrocarbon	Niobrara	6256	5893	16828	6204			

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 measuredwhile-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 openhole 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 openhole logs were run.

Total: 3 comment(s)

Attachment List

Att Doc Num	Name
403371656	OffsetWellEvaluations Data
403376403	DEVIATED DRILLING PLAN
403376405	OTHER
403376407	WELL LOCATION PLAT
403376409	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
		Stamp Upon Approval

Total: 0 comment(s)