

WELL ABANDONMENT REPORT

This form is to be submitted as an Intent to Abandon whenever an abandonment is planned on a borehole. After the abandonment is complete, this form shall again be submitted as a Subsequent Report of the actual work completed. The approved intent shall be valid for six months after the approval date, after that period, a new intent will be required. Attachments required with the Intent to Abandon are wellbore diagrams of the current configuration and the proposed configuration with plugs set. A Subsequent Report of Abandonment shall indicate the actual work completed. Attachments required with a Subsequent Report are a wellbore diagram showing plugs that were set and casing remaining in the hole, the job summaries from all plugging contractors used, including wireline and cementing (third party verification) and any logs that may have been run during abandonment.

Document Number:
 403371477
 Date Received:

OGCC Operator Number: 10651 Contact Name: Alex Waner
 Name of Operator: VERDAD RESOURCES LLC Phone: (303) 2049636
 Address: 1125 17TH STREET SUITE 550 Fax: _____
 City: DENVER State: CO Zip: 80202 Email: awaner@verdadresources.com

For "Intent" 24 hour notice required, Name: Medina, Justin Tel: (720) 471-0006
COGCC contact: Email: justin.medina@state.co.us

Type of Well Abandonment Report: Notice of Intent to Abandon Subsequent Report of Abandonment

API Number 05-123-07782-00
 Well Name: SACK-HIETT Well Number: 1
 Location: QtrQtr: SWSW Section: 32 Township: 1N Range: 65W Meridian: 6
 County: WELD Federal, Indian or State Lease Number: _____
 Field Name: WATTENBERG Field Number: 90750

Only Complete the Following Background Information for Intent to Abandon

Latitude: 40.003428 Longitude: -104.693712
 GPS Data: GPS Quality Value: 1.5 Type of GPS Quality Value: PDOP Date of Measurement: 04/05/2023

Reason for Abandonment: Dry Production Sub-economic Mechanical Problems
 Other Re-entry

Casing to be pulled: Yes No Estimated Depth: _____
 Fish in Hole: Yes No If yes, explain details below
 Wellbore has Uncemented Casing leaks: Yes No If yes, explain details below
 Details: Tubing left cemented in from previous plug

Current and Previously Abandoned Zones

Formation	Perf. Top	Perf. Btm	Abandoned Date	Method of Isolation	Plug Depth
NIOBRARA	7926	7949	06/15/1983	CEMENT	2200

Total: 1 zone(s)

Casing History

Casing Type	Size of Hole	Size of Casing	Grade	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top	Status
SURF	12+1/4	8+5/8	unk	23	0	200	200	200	0	VISU
1ST	7+7/8	5	unk	18	0	8034	200	8034	7134	CALC

Plugging Procedure for Intent and Subsequent Report

CIBP #1: Depth _____ with _____ sacks cmt on top. CIBP #2: Depth _____ with _____ sacks cmt on top.
CIBP #3: Depth _____ with _____ sacks cmt on top. CIBP #4: Depth _____ with _____ sacks cmt on top.
CIBP #5: Depth _____ with _____ sacks cmt on top.

NOTE: Two(2) sacks cement required on all CIBPs.

Set 30 sks cmt from 1264 ft. to 964 ft. Plug Type: CASING Plug Tagged:
Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
Set _____ sks cmt from _____ ft. to _____ ft. Plug Type: _____ Plug Tagged:
Perforate and squeeze at 7090 ft. with 70 sacks. Leave at least 100 ft. in casing 7040 CICR Depth
Perforate and squeeze at 2550 ft. with 70 sacks. Leave at least 100 ft. in casing 2500 CICR Depth
Perforate and squeeze at _____ ft. with _____ sacks. Leave at least 100 ft. in casing _____ CICR Depth
(Cast Iron Cement Retainer Depth)

Set 70 sacks half in. half out surface casing from 200 ft. to 0 ft. Plug Tagged:
Set 0 sacks at surface
Cut four feet below ground level, weld on plate Above Ground Dry-Hole Marker: Yes No
Set _____ sacks in rat hole Set _____ sacks in mouse hole

Additional Plugging Information for Subsequent Report Only

Casing Recovered: _____ ft. of _____ inch casing Number of Days from Setting Surface Plug to Capping or Sealing the Well: _____
Surface Plug Setting Date: _____ Cut and Cap Date: _____
*Wireline Contractor: _____ *Cementing Contractor: _____
Type of Cement and Additives Used: _____
Flowline/Pipeline has been abandoned per Rule 1105 Yes No

Technical Detail/Comments:

** Verdad will be using a closed-loop recirculating returns system consisting of shaker tank, mud tank, cuttings bin, and a utility tank to divert fluid to for solids to settle out, fluid for disposal, etc.**

1. File Form 42 2 days prior for P&A ops, notify COGCC field engineer of ops commencing
2. Familiarize all personnel with allowed access to location and areas allowed to be disturbed
3. Secure permission to access area and identify prospective well locations via satellite and survey data
4. Verify well location and excavate well
5. Once permission to begin work is secure, excavate area around well to sufficient size for safe access of casing, verify casing size, cut off cap, weld on slip collar w/ wellhead and riser, set cellar ring and back-fill
6. MIRU WO rig and beam, BOP, accumulator, rig pump, shaker tank, rig tank, 9.5ppg water-based mud, pipe float, 3-1/8" collars, 2-3/8" PH6 work string, power swivel
7. Rig up tubing tools, NU BHA and function test
8. Make up BHA consisting of: 2-3/8 PH6 string, 2x 3-1/8" drill collars, float, POBS, and 4 1/8" roller-cone bit
9. RIH and drill out previous cement plug from estimated 0-225'
10. Wash or ream in 5" cased hole to 2,200'
11. Circulate and condition hole
12. Drill cement until reaching tubing fish top. Contact engineer to discuss tripping for different bit better suited for cement/tubing milling
13. TOOH and laydown BHA
14. PU agreed upon BHA to mill tubing/cement
15. TIH to tubing fish top and mill tubing/cement until there are no more cement returns. If making good hole, continue to mill up tubing, if not, mill tubing to set up for a pipe body overshot
16. TOOH and MU new BHA consisting of 3-7/8" overshot w/ 2 7/8" grapple
17. RIH and latch onto tubing body. Perform stretch test to get rough idea of free point
18. MIRU eline WL truck. RIH w/ free point tool and determine free point of tubing
19. POOH w/ free point tool and prepare for chem cut
20. RIH w/ chem cut tool and cut tubing at lowest free point. POOH w/ WL and then POOH w/ 2-3/8" PH6 overshot with cut tubing
21. Contact engineer and fishing hand and MU BHA with overshot, jars, and intensifiers to attempt to jar our remaining tubing
22. POOH w/ jarred tubing, if full string does not come, assess depth of new fish top. If tubing fish top is below 7,090' proceed with cement job
23. Make up BHA consisting of: 4 1/8" tricone mill, XO, string float, 2-3/8 PH6 string and RIH to bottom of well
24. Circulate and condition hole. TOOH w/ tubing
25. RU WL, load hole and run CBL from deepest point to surface, this will determine where and if we need to annulus cement coverage
26. TIH w/ perforating guns and shoot 4 holes @ 7,090'. TOOH w/ perf guns. TIH w/ 5" CICR and set @ 7,040' MD. TOOH w/ setting tool and RD WL.
27. TIH w/ tbg and sting into CICR. Mix and pump 70 sks of Class G, 15.8 ppg, 1.15 yield cement into CICR. Pull out of CICR and leave 15 sks of Class G, 15.8 ppg, 1.15 yield cement on top of CICR. This will isolate the Niobrara Formation
28. Displace cement and POOH to 2,550', circulate and condition hole. POOH to surface
29. RU WL and TIH w/ perforating guns and shoot 4 holes @ 2,250'. TOOH w/ perf guns. TIH w/ 5" CICR and set @ 2,500' MD. TOOH w/ setting tool and RD WL.
30. TIH w/ tbg and sting into CICR. Mix and pump 70 sks of Class G, 15.8 ppg, 1.15 yield cement into CICR. Pull out of CICR and leave 15 sks of Class G, 15.8 ppg, 1.15 yield cement on top of CICR. This will isolate the Upper Pierre Formation
31. POOH to 1,264', circulate and condition hole. Prior to placing the Fox Hills Aquifer plug, verify that all fluid (liquid and gas) migration has been eliminated. If evidence of fluid migration or pressure remains, contact engineer to verify with the COGCC for an update to plugging orders
32. If no fluid migration, RU cementers and pump 30 sks of Class G, 15.8 ppg, 1.15 yield cement from 1,264' – 964' to isolate the Fox Hills Aquifer. Displace and POOH through cement and release cementers, ensure that

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

Signed: _____ Print Name: Alex Waner
 Title: Operations Engineer Date: _____ Email: awaner@verdadresources.com

Based on the information provided herein, this Well Abandonment Report (Form 6) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Date: _____

CONDITIONS OF APPROVAL, IF ANY: _____ Expiration Date: _____

COA Type	Description
0 COA	

Attachment List

<u>Att Doc Num</u>	<u>Name</u>
403371495	PROPOSED PLUGGING PROCEDURE
403371496	WELLBORE DIAGRAM
403371497	WELLBORE DIAGRAM
403371498	LOCATION PHOTO
403374446	SURFACE OWNER CONSENT

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	Returned to Draft: Submitter is not a designated agent. Operator should submit a Form 1A for the current submitter and/or have a designated agent submit this Form.	04/21/2023

Total: 1 comment(s)