

FORM
2
Rev
05/22

State of Colorado Energy & Carbon Management Commission

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Document Number:

403611151

(SUBMITTED)

Date Received:

02/01/2024

APPLICATION FOR PERMIT TO

Drill Deepen Re-enter Recomplete and Operate Amend

TYPE OF WELL OIL GAS COALBED OTHER: _____ Refile

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: Speed Goat Fed 3432 Well Number: 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: Allison Schieber Phone: (720)845-6909 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 (if applicable): _____

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 \$ 25000

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NENE Sec: 34 Twp: 9N Rng: 58W Meridian: 6

Footage at Surface: 263 Feet FNL 961 Feet FEL

Latitude: 40.714258 Longitude: -103.843792

GPS Data: GPS Quality Value: 1.2 Type of GPS Quality Value: PDOP Date of Measurement: 05/22/2023

Ground Elevation: 4723

Field Name: DJ HORIZONTAL NIOBRARA Field Number: 16950

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: 34 Twp: 9N Rng: 58W Footage at TPZ: 1565 FNL 2549 FWL

Measured Depth of TPZ: 6351 True Vertical Depth of TPZ: 5640 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 32 Twp: 9N Rng: 58W Footage at BPZ: 1485 FNL 300 FWL
 Measured Depth of BPZ: 19147 True Vertical Depth of BPZ: 5640 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 32 Twp: 9N Rng: 58W Footage at BHL: 1485 FNL 210 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: 09/27/2023

Comments: 1041WOGLA23-0016

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 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):

- 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.)

Section 32 9N 58W: SE4
Section 33 9N 58W: NE4, W2, N2SE4
Section 34 9N 58W: N2

Total Acres in Described Lease: 1040 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 4723 Feet
Building Unit: 4787 Feet
Public Road: 4284 Feet
Above Ground Utility: 294 Feet
Railroad: 5280 Feet
Property Line: 263 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	535-1453	2560	9N 58W Sec 32,33,34,35: 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: 182 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

9N 58W Sec 32,33,34,35: ALL
2560 Acres

DRILLING PROGRAM

Proposed Total Measured Depth: 19237 Feet TVD at Proposed Total Measured Depth 5640 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: 451 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	92	80	0
SURF	13+1/2	9+5/8	j55	36	0	1489	404	1489	0
1ST	8+1/2	5+1/2	p110	20	0	19237	2384	19237	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	FOX HILLS	0	0	349	349	501-1000	USGS	USGS-403838103575801
Confining Layer	PIERRE	349	349	879	879			
Groundwater	UPPER PIERRE POROSITY	879	879	1437	1424	1001-10000	Other	CO DNR Report Project Number 2141
Confining Layer	PIERRE	1437	1424	3070	2948			
Hydrocarbon	PARKMAN	3070	2948	3906	3726			
Hydrocarbon	SUSSEX	3906	3726	4536	4313			NON PRODUCING HORIZON
Hydrocarbon	SHANNON	4536	4313	4939	4688			NON PRODUCING HORIZON
Confining Layer	PIERRE	4939	4688	5803	5448			
Hydrocarbon	SHARON SPRINGS	5803	5448	5922	5520			NON PRODUCING HORIZON
Hydrocarbon	NIOBRARA	5922	5520	19237	5798			

OPERATOR COMMENTS AND SUBMITTAL

Comments

Best Management Practices

No	BMP/COA Type	Description
1	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
2	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.
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
403615466	OffsetWellEvaluations Data
403672281	WELL LOCATION PLAT
403672283	DEVIATED DRILLING PLAN
403672284	OTHER
403672288	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Return to DRAFT - per operator request	01/25/2024

Total: 1 comment(s)