

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF
VERDAD OIL & GAS CORPORATION, FOR AN
ORDER TO POOL ALL INTERESTS IN AN
APPROXIMATE 320-ACRE DESIGNATED
HORIZONTAL WELLBORE SPACING UNIT
LOCATED IN SECTION 28, TOWNSHIP 1
NORTH, RANGE 65 WEST, 6TH P.M., FOR THE
DEVELOPMENT/OPERATION OF THE
NIOBRARA FORMATION, WATTENBERG
FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Verdad Oil & Gas Corporation (Operator No. 10485) ("Applicant"), by its attorneys, Jost & Shelton Energy Group, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests within an approximate 320-acre designated horizontal Wellbore Spacing Unit, as defined below, for the drilling of the Young 01N-65W-28-3N Well (API No. 05-123-40512) ("Well"), for the development of the Niobrara Formation on the following described lands:

Township 1 North, Range 65 West, 6th P.M.
Section 28: E½

320-acres, more or less, Weld County,
Colorado (hereinafter "Application Lands").

In support thereof, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
2. Applicant owns certain leasehold interests in the Application Lands.
3. On April 27, 1998, the Commission adopted Rule 318A, which among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended to, among other things, address the drilling of horizontal wells.

4. On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

5. Applicant designated the approximate 320-acre horizontal Wellbore Spacing Unit for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation pursuant to Rule 318A and notified the appropriate parties under Rule 318A.

6. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests within the Wellbore Spacing Unit, including but not limited to, any nonconsenting interests and leased mineral interests, in the Application Lands in the Niobrara Formation underlying the following approximate 320-acre Wellbore Spacing Unit:

Township 1 North, Range 65 West, 6th P.M.
Section 28: E½

(throughout as "Wellbore Spacing Unit").

7. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Young 01N-65W-28-3N Well (API No. 05-123-40512) to the Niobrara Formation on the Application Lands.

8. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled, including leased mineral interest owners, within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty-five (35) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Well, and will be provided with the information required by Rule 530 as applicable. The list of such interested parties is attached hereto as Exhibit A.

9. That in order to prevent waste and to protect correlative rights, all interests in each of the Wellbore Spacing Unit should be pooled for the orderly development of the Niobrara Formation, including any non-consenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests in an approximate 320-acre designated horizontal Wellbore Spacing Unit established on Application Lands for the development of the Niobrara Formation.

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Young 01N-65W-28-3N Well (API No. 05-123-40512) to the Niobrara Formation on the Application Lands.

C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to the Well drilled to develop the Niobrara Formation in the Wellbore Spacing Unit comprising the Application Lands.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in January 2015, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: November 17, 2014.

Respectfully submitted:

VERDAD OIL & GAS CORPORATION

By:



Jamie L. Jost

Joseph M. Evers

Jost & Shelton Energy Group, P.C.

Attorneys for Applicant

1675 Larimer Street, Suite 420

Denver, Colorado 80202

(720) 379-1812

Applicant's Address:

Verdad Oil & Gas Corporation

ATTN: Johnny Beecher


5950 Cedar Springs Road, Suite 200

Dallas, TX 75235

VERIFICATION

STATE OF TEXAS)
) ss.
CITY AND COUNTY OF DALLAS)

Philip W. Davis, of lawful age, being first duly sworn upon oath, deposes and says that he is Vice President - Land for Verdad Oil & Gas Corporation, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.



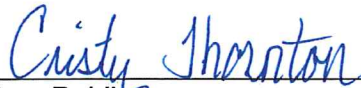
Philip W. Davis
Vice President - Land
Verdad Oil & Gas Corporation

Subscribed and sworn to before me this 17th day of November 2014.

Witness my hand and official seal.



My commission expires: May 23, 2016



Notary Public

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CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

I, Jamie Jost of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for Verdad Oil & Gas Corporation, and that on or before the 21st day of November, 2014, I caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.



Jamie L. Jost

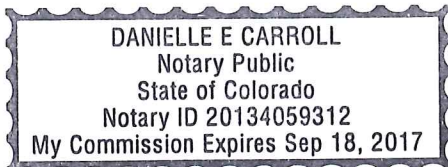
Subscribed and sworn to before me on this 17th day of November, 2014.

Witness my hand and official seal.

My commission expires: 9/18/17



Notary Public



**Exhibit A
Interested Party List
Young 01N-65W-28-3N**

Verdad Oil & Gas Corporation
5950 Cedar Springs Road, Suite 200
Dallas, Texas 75235

OOGC America LLC
9805 Katy Freeway, Suite 500
Houston, TX 77024

The Farmers Reservoir and Irrigation Company
80 South 27th Avenue
Brighton, CO 80601

Glen A. Young
1952 Weld County Road #41
Hudson, Co 80642

Michael A. Campbell and Renee G. Campbell
20962 Weld County Road 6
Hudson, CO 80642

Henrylyn Irrigation District
617 Birch Street
Hudson, CO 80642

Edward R. Dumph and Betty W. Dumph
1452 WCR #41
Hudson, CO 80642

Renegade Oil & Gas Company, LLC
6455 South Main Street, Suite 210
Aurora, CO 80016

Ivar and Evelyn Jordan Family Trust
446 South Fig Way
Lakewood, CO 80228