

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 **640-ACRE DRILLING AND
SPACING** UNIT LOCATED IN SECTION 2,
TOWNSHIP 1 NORTH, RANGE 64 WEST, 6TH
P.M., FOR THE DEVELOPMENT/OPERATION
OF THE **CODELL AND NIOBRARA**
FORMATIONS, WATTENBERG FIELD, WELD
COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 150100035

AMENDED 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 **640-acre Drilling and Spacing** Unit, as defined below, for the development of the **Codell and Niobrara Formations** on the following described lands:

Township 1 North, Range 64 West, 6th P.M.
Section 2: **All**

**640-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. **On January 9, 2015, Applicant concurrently filed an application to be heard at the Commission's March hearing, requesting an order establishing a drilling and spacing unit composed of the Application Lands, for the development of the Codell and Niobrara Formations.**

6. Applicant designated an approximate 320-acre horizontal wellbore spacing unit for the drilling of the **Pastelak 01N-64W-02-3N Well (API No. 05-123-40319)**, 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. **Applicant has/will submit a sundry to approve the drilling of the Pastelak 01N-64W-02-3N Well to the pending drilling and spacing unit composed of the Application Lands, described above.**

7. 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 **Drilling and Spacing Unit**, including but not limited to, any non-consenting interests and leased mineral interests, in the Application Lands in the **Codell and Niobrara Formations** underlying the following approximate **640-acre Drilling and Spacing Unit**:

Township 1 North, Range 64 West, 6th P.M.
Section 2: **All**

(throughout as "**Drilling and Spacing Unit**").

8. 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 **any well** to the **Codell or Niobrara Formation** on the Application Lands.

9. 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(s)**, 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.

10. That in order to prevent waste and to protect correlative rights, all interests in each of the **Drilling and Spacing Unit** should be pooled for the orderly development of the **Codell and Niobrara Formations**, 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 **640-acre Drilling and Spacing Unit** established on Application Lands for the development of the **Codell and Niobrara Formations**.

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 **any well** to the **Codell or 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(s)** 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(s)** drilled to develop the **Codell or Niobrara Formation** in the **Drilling and Spacing Unit** comprising the Application Lands.

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

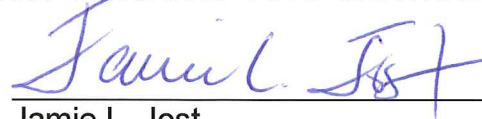
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in **March** 2015, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: January 9, 2015.

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

STATE OF TEXAS

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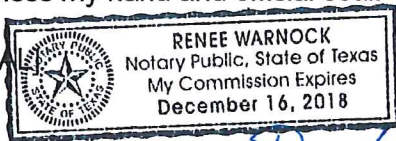
CITY AND COUNTY OF DALLAS

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Subscribed and sworn to before me this 9th day of **January** 2015.

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My commission expires: December 16, 2018

Genesh Kumar

Notary Public

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DOCKET NO.

)ss.

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Jamie L. Foster

Subscribed and sworn to before me on this 9th day of **January**, 2015.

My commission expires:

9/18/17

Shanille Carroll

DANIELLE E CARROLL
Notary Public
State of Colorado
Notary ID 20134059312
My Commission Expires Sep 18, 2017

Exhibit A
Interested Party List

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

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

Grizzly Petroleum Company, LLC
1801 Broadway, Suite 500
Denver, CO 80202

John M. Hefner and Kristine Hefner,
tenants in common
8614 North Sundown Trail
Parker, CO 80134

Steve M. Pastelak
28425 Highway 52
Keenesburg, CO 80634

Kenneth L. Madsen and Lynda J.
Madsen, tenants in common
P.O. Box 359
Hudson, Co 80642-0359

Matthew J. Madsen and
Mary R. Madsen
28170 Weld County Road 14
Keenesburg, CO 80643-9528

John Schweitzer and
Marjorie Schweitzer
28490 County Road 14
Keenesburg, CO 80643-9528

Shirley Jean Henry Wagy
6288 W. 3rd St. Rd.
Greeley, CO 80634

Steven R. Giglio, devisee of
Ruth Strain Giglio aka
Ruth Strain Giglio Kerr
1325 Belvedere Drive
Baton Rouge, LA 70808

Brian K. Heier and Kellie L. Heier
28001 Highway 52
Keenesburg, CO 80643

Paula D. Farner
28498 County Road 14
Keenesburg, CO 80643

Dianne C. Becker and
Carl R. Becker
215 South Dickson Street
Keenesburg, CO 80643

Wilda A. Cornell
4345 Kendall Street
Wheat Ridge, CO 80033

Donald Cornell
299 Belford Drive
Northglenn, CO 80260

Elizabeth Jean Redabaugh
28906 County Road 14
Keenesburg, CO 80643-9528

Barbara Reed Lewis
9665 Woodhollow Drive
Reno, NV 89521

Kevin L. Bell and Trudy K. Bell
28496 County Road 14
Keenesburg, CO 80643

Julia Mae Pastelak
575 Holly Street
Hudson, CO 80642

Annette Tarantino
5000 East 88th Avenue
Henderson, CO 80640

Board of County Commissioners of
the County of Weld
1150 O Street, P.O Box 758
Greeley, CO 80632

Layne E. Thompson and Cylene
Thompson
28549 Highway 52
Keenesburg, CO 80643-9404

Sharp Energy Resources, LLC
1801 Broadway, Suite 400
Denver, CO 80202

Eastern Plains Development, LLC
28425 Highway 52
Keenesburg, CO 80643-9412