

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

IN THE MATTER OF THE PROMULGATION AND	)	CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO	)	
GOVERN OPERATIONS FOR THE CODELL AND	)	DOCKET NO. 170900529
NIORARA FORMATIONS, WATTENBERG	)	
FIELD, WELD COUNTY, COLORADO	)	TYPE: SPACING
	)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 1 North, Range 65 West, 6<sup>th</sup> P.M.  
Section 22: All

APPLICATION

On June 27, 2017, Verdad Resources, LLC (Operator No. 10651) ("Verdad" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Maintain Order No. 407-1211 as to the Drake 01N-65W-22-8N Well (API No. 05-123-40503);
- 2) Establish an approximate 640-acre drilling and spacing unit for the Application Lands, and approve up to 15 horizontal wells, excluding the Drake 01N -65W-22-8N Well (API No. 05-123-40503) within the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; and
- 3) Require the productive interval of the wellbore of any permitted wells in the unit to be located no closer than 150 feet from the treated interval of any other wellbore producing from the Codell and/or Niobrara formations, and no closer than 460 feet from the unit boundaries, without exception being granted by the Director.
- 4) Applicant states that the wells be drilled from two well pads located in the unit and/or from a legal location on adjacent lands, without exception granted by the Director.

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended on August 8, 2011 to, among other things, address the drilling of horizontal wells and requires that a horizontal wellbore spacing unit must include any governmental quarter-

quarter section that is located less than 460' from the completed interval of the wellbore lateral.

- On January 26, 2015, the Commission entered Order No. 407-1211, which approved Verdad Oil & Gas Corporation's request for an order to pool all interests in an approximate 320-acre designated Rule 318A horizontal wellbore spacing unit established by Verdad Oil & Gas Corporation for the E½ of Section 22, Township 1 North, Range 65 West, 6th P.M., effective as of the date of the Application, for development and operation of the Codell and Niobrara Formations, and subjected all nonconsenting parties to the cost recovery provisions of Section 34-60-116(7), C.R.S., for the Drake 01N-65W-22-8N Well (API No. 05-123-40503).

NOTICE IS HEREBY GIVEN, pursuant to C.R.S. §§ 34-60-101 to -130, and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Dates: September 11-12, 2017

Time: 9:00 a.m.

Place: Durango Public Library  
Program Room #2  
1900 E 3rd Avenue  
Durango, CO 81301

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately three (3) days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than August 28, 2017.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings\_unit@state.co.us), one original and two copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of August 28, 2017.** Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By  \_\_\_\_\_  
James P. Rouse, Acting Secretary

Dated: July 27, 2017

Colorado Oil and Gas Conservation Commission  
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