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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 535
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS FOR THE NIOBRARA, FORT HAYS,)	DOCKET NO. 180900673
CODELL AND CARLILE FORMATIONS, UNNAMED)	
FIELD, WELD COUNTY, COLORADO)	TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 9 North, Range 59 West, 6th P.M. Section 7: All

<u>APPLICATION</u>

On July 9, 2018, 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) Modify an approximate 640-acre drilling and spacing unit for the Application Lands to include the Fort Hays, Codell, and Carlile Formations and to approve up to sixteen horizontal wells within the unit, with well location rules such that the treated interval of each wellbore within the unit shall be located no closer than 300 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located within the unit; and
- 2) Require that the permitted wells within the unit be drilled and operated from no more than 3 surface locations within the unit, or at legal locations on adjacent lands.

APPLICABLE ORDERS AND RULES

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

- Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply.
- On February 22, 2011, the Commission entered Order No. 535-3, which established 160 approximate 640-acre drilling and spacing units for certain lands in Townships 8 through 10 North, Ranges 58 through 62 West, 6th P.M., and approved one horizontal well in each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be located no closer than 600 feet from the unit boundaries, unless the Director grants an exception.

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

Date: September 17-18, 2018

Time: 9:00 a.m.

Place: Garfield County Sheriff's Annex - Rifle

106 County Road 333-A Rifle, Colorado 81650

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 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 31, 2018. 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 September 3, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention. 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

Wile Spence Prine, Secretary

Dated: August 9, 2018

Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801 Denver, Colorado 80203

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