

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

IN THE MATTER OF THE APPLICATION OF)
VERDAD RESOURCES LLC FOR AN ORDER)
TO, AMONG OTHER THINGS, ESTABLISH AN) Cause No. 407
APPROXIMATE 480-ACRE DRILLING AND)
SPACING UNIT FOR PORTIONS OF) Docket No. 170700414
SECTIONS 4 AND 9, TOWNSHIP 2 NORTH,)
RANGE 64 WEST, 6TH P.M., FOR) Type: SPACING
PRODUCTION FROM THE NIOBRARA AND)
CODELL FORMATION, WATTENBERG FIELD,)
WELD COUNTY, COLORADO.)

NOTICE OF WITHDRAWAL AND SUBSTITUTION OF COUNSEL

Verdad Resources, LLC ("Applicant"), Operator No. 10651, hereby submits this Notice of Substitution of Counsel whereby the law firm Welborn Sullivan Meck & Tooley, P.C., substitutes and replaces Beatty & Wozniak, P.C. as counsel for Applicant. As of the date of this filing, Beatty & Wozniak, P.C. withdraws its representation and Welborn Sullivan Meck & Tooley, P.C. shall represent Applicant going forward.

DATED this 29th day of June, 2017

WELBORN SULLIVAN MECK &
TOOLEY, P.C.

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BEATTY & WOZNIAK, P.C.

By: 

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

IN THE MATTER OF AN APPLICATION BY VERDAD RESOURCES LLC FOR AN ORDER TO, AMONG OTHER THINGS, ESTABLISH AN APPROXIMATE 480-ACRE DRILLING AND SPACING UNIT FOR PORTIONS OF SECTIONS 4 AND 9, TOWNSHIP 2 NORTH, RANGE 64 WEST, 6TH P.M., FOR PRODUCTION FROM THE NIOBRARA AND CODELL FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO. *To be assigned*

TYPE: SPACING

APPLICATION

Verdad Resources LLC, Operator No. 10651 ("Verdad" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing an approximate 480-acre drilling and spacing unit for portions of Sections 4 and 9, Township 2 North, Range 64 West, 6th P.M., and authorizing the drilling of up to eight (8) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
2. Applicant owns a leasehold interests in the below-listed lands:

Township 2 North, Range 64 West, 6th P.M.

Section 4: SW $\frac{1}{4}$

Section 9: W $\frac{1}{2}$

480 acres, more or less, Weld County, Colorado

3. These lands are hereinafter referred to as the "Application Lands." A reference map depicting the Application Lands is attached hereto and marked as Exhibit A.
4. The records of the Commission indicate that there are no horizontal wells currently producing from the Niobrara and Codell Formations underlying the Application Lands.
5. On or about 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 Codell-Niobrara Formations. The Application Lands are subject to Order No. 407-87. At present, there are six existing vertical well producing within the Application Lands pursuant to Order No. 407-87 (Perkins #34-9 Well, API No. 05-123-22410; Perkins USX Y #9-23, API No. 05-123-14379; HSR-Guttersen #1-4, API No. 05-123-19150; HSR-Guttersen #2-4, API No. 05-123-19151; Melvin Y #4-4, API No. 05-123-16972; HSR-

Guttersen #5-4, API No. 05-123-19153). Applicant hereby confirms that these wells shall remain subject to applicable spacing orders of the Commission, and shall not be affected by Applicant's requested relief under this Application. Accordingly, Applicant herein requests that Order No. 407-87 be maintained as to the Application Lands.

6. 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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A. was amended, among other things, 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, among other things, to address drilling of horizontal wells. The Application Lands are subject to certain aspects of this rule for horizontal wells drilled in the Niobrara and Codell Formations.

7. Applicant requests the Commission establish the Application Lands as an approximate 480-acre drilling and spacing unit for the Niobrara and Codell Formations pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Niobrara and Codell Formations.

8. Applicant requests it be authorized to drill and complete up to eight (8) wells in the approximate 480-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

9. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the unit boundaries with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Niobrara and Codell Formations, unless an exception is granted by the Director.

10. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, et seq., C.R.S., and the Commission rules.

11. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to being bound by said oral order.

12. The names and addresses of the interested parties (owners within the Application Lands) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto.

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

A. Establishing an approximate 480-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of up to eight (8) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the proposed unit and not less than 150 feet from the treated interval of any well being drilled or producing from the Niobrara and Codell Formations, unless an exception is granted by the Director.

B. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.

C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 7th day of May, 2017.

Respectfully submitted,

VERDAD RESOURCES LLC

By: 

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Jillian Fulcher
Evan Bekkedahl
Beatty & Wozniak, P.C.
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Applicant's Address:
Verdad Resources LLC
ATTN: Frederick E. Rowe
5950 Cedar Springs Road, Suite 200
Dallas, TX 75235

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

Frederick E. Rowe IV, Land Manager of Verdad Resources LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

VERDAD RESOURCES LLC



Frederick E. Rowe IV

Subscribed and sworn to before me this 5th day of May, 2017, by Frederick E. Rowe IV, Land Manager for Verdad Resources LLC.

Witness my hand and official seal.



Notary Public

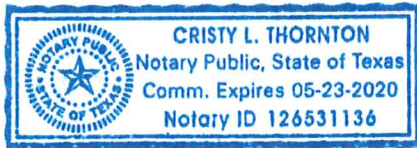


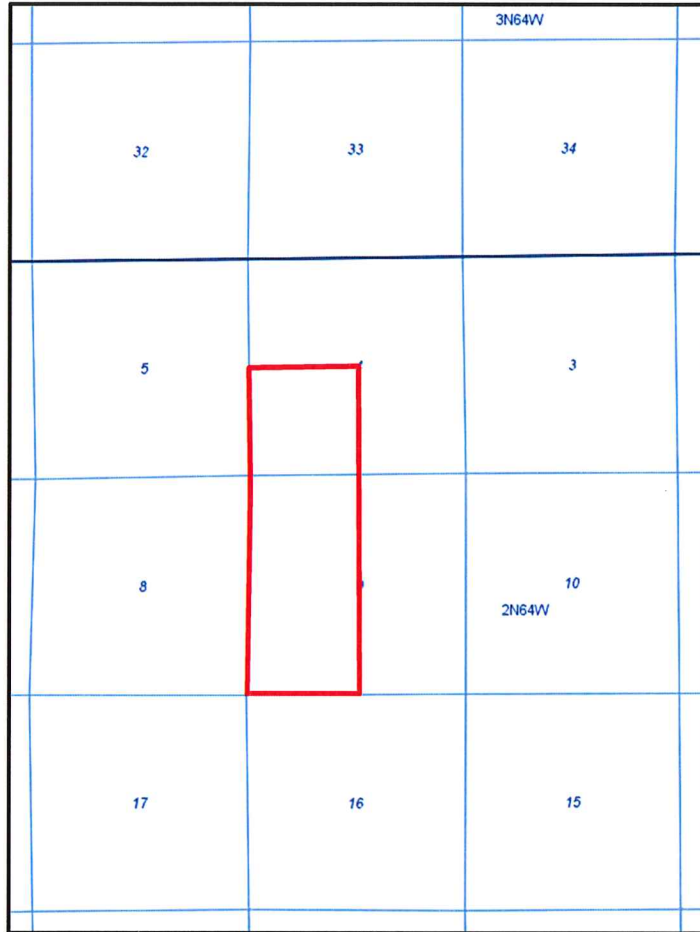
EXHIBIT A

Reference Map for Spacing Application

Township 2 North, Range 64 West, 6th P.M.

Section 4: SW $\frac{1}{4}$

Section 9: W $\frac{1}{2}$



= Application Lands

EXHIBIT B
Interested Parties

The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in this Exhibit B.

VERDAD RESOURCES LLC
5950 CEDAR SPRINGS ROAD, SUITE 200
DALLAS, TEXAS 75235

KERRMCGEE OIL & GAS ONSHORE LP
1099 18TH STREET, SUITE 1800
DENVER, CO 80202

STEVE M. PASTELAK
28425 HIGHWAY 52
KEENESBURG, CO 80634

FREE RIDE, LLC
P.O. BOX 429
ROSWELL, NEW MEXICO 88202

ARNITA M. TUDOR
5512 INWOOD ROAD
KNOXVILLE, TN 37921-1324

ROBERT KENT BERGLUND, TRUSTEE OF THE
REVOCABLE TRUST OF ROBERT KENT BERGLUND U/A
DATED OCTOBER 29, 2015
2 RIVERVISTA DRIVE
CHATTANOOGA, TN 37405

SPOOL HOLDINGS, L.L.C.
P.O. BOX 2825
AMARILLO, TX 79105

BASIN EXPLORATION, INC.
155 EAST BOARDWALK DRIVE
SUITE 300
FORT COLLINS, CO 80525

WC WATER SUPPLY LLC
360 SOUTH GARFIELD STREET
6TH FLOOR
DENVER, CO 80209

DECK CAMERON REICHERT
23056 COUNTY ROAD 34.5
LA SALLE, CO 80645

JAMES J. LUTTRELL
7565 E. MISSISSIPPI AVE., #1502
DENVER, CO 80231

ATOMIC CAPITAL MINERALS LLC
2777 ALLEN PARKWAY, SUITE 1185
HOUSTON, TX 77019

JOHN GEORGE KEIL
P.O. BOX 427
COTOPAXI, CO 81223

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BRIGHTON, CO 80601

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WANWATOSA, WI 53213

DOLORES SIMON
5810 MAMMOTH AVE
VAN NUYS, CA 91401

MEREDITH A. MAYER
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FORT COLLINS, CO 80525

BASIN OIL & GAS, LLC
1320 SOUTH UNIVERSITY DR, SUITE 400
FORT WORTH, TX 76107

MONTERREY MINERALS, LLC
P.O. DRAWER 379
TILDEN, TX 78072

MIKE'S OIL WELL, LLC
ATTN: MICHAEL O'CLOONEN
108 MARTINEK LANE
PALMER, TX 75152

CURRIE PARTNERS, LTD
2600 INWOOD COURT
MIDLAND, TX 79705

JAMES C. TAYLOR INVESTMENTS, LP
#2 HANOVER DRIVE
MIDLAND, TX 79705

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GREELEY, CO 80631

JAMES J. BRNAK
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KEENESBURG, CO 80634

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ANADARKO E&P ONSHORE LLC
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DENVER, CO 80202

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GLENDDORA, CA 91741-1850

ARTHUR W. BERGLUND
5709 77TH STREET
LUBBOCK, TX 79424

GARY DOUGLAS MYERS
30113 TROUTDALE SCENIC DR.
EVERGREEN, CO 80439

NOBLE ENERGY, INC.
1625 BROADWAY
SUITE 2200
DENVER, CO 80202

HP FARMS HOLDINGS LLC
9033 EAST EASTER PLACE
SUITE 112
CENTENNIAL, CO 80112

JFDR, LLC
915 WEST ;LEHIGH AVE
NO. 1394
ENGLEWOOD, CO 80150

PHILLIP J. LUTTRELL
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10654 ROSALEE LANE SOUTHEAST
PORT ORCHARD, WA 98367

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1404 RIVER TRAIL DR.
KENT, OH 44240

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CRAIG .G TAYLOR
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SUITE 1020
MIDLAND, TX 79701

BRANDON MARETTE, ENERGY LIAISON
COLORADO PARKS AND WILDLIFE
NORTHEAST REGION OFFICE
6060 BROADWAY
DENVER, CO 80216

TROY SWAIN
WELD COUNTY
DEPARTMENT OF PLANNING SERVICES
1555 NORTH 17TH AVENUE
GREELEY, CO 80631

KENT KUSTER
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COLORADO DEPARTMENT OF
PUBLIC HEALTH & ENVIRONMENT
4300 CHERRY CREEK DRIVE SOUTH
DENVER, CO 80246-1530

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COUNTY, COLORADO

TYPE: SPACING

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

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Verdad Resources LLC, and on or before the 15th May, 2017 caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.

Subscribed and sworn to before me this 8th day of May, 2017.

Notary Public

