

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

IN THE MATTER OF THE PROMULGATION ) CAUSE NO.  
AND ESTABLISHMENT OF FIELD RULES )  
TO GOVERN OPERATIONS FOR THE ) DOCKET NO. 171000666  
NIOBRARA AND CODELL FORMATIONS, )  
WATTENBERG FIELD, ADAMS COUNTY, ) TYPE: Spacing  
COLORADO )

**AMENDED APPLICATION**

Verdad Resources LLC (Operator No. 10651) ("Verdad" or "Applicant"), by and through its attorneys Burns, Figa & Will, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish an approximate 1,600-acre drilling and spacing unit for the Application Lands for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations, and approve up to sixteen (16) horizontal wells drilled from a maximum of three (3) well pads for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations on the following described lands:

Township 1 South, Range 65 West, 6<sup>th</sup> P.M.  
Section 4: All  
Section 9: All  
Section 16: N½

Adams County, Colorado (containing a total of approximately 1,600 acres)

Referred herein as the "Application Lands." A reference map depicting the Application Lands is attached hereto and marked as Exhibit A.

In support of its Application, Verdad states and alleges as follows:

1. Verdad is a corporation duly authorized to do business in Colorado and is a registered Operator in good standing with the Commission.
2. Verdad is an Owner with the right to drill into and produce from 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. 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 Rule 318A for the Codell and Niobrara formations.

4. Verdad requests that the Commission approve the development of up to sixteen (16) horizontal wells in the proposed approximate 1,600-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara formations. The proposed wells will be drilled from surface locations described in Rule 318A or on other lands with consent of the landowner, unless an exception is granted by the Director. The wells will be stacked by formation to comply with the minimum distances from the outer boundaries of the proposed drilling and spacing unit and from any other well producing from the Codell and Niobrara formations.

5. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbores shall be no less than 460 feet from the unit boundaries and the interwell setbacks shall be no less than 150 feet from the treated interval of any other well producing from the Niobrara and Codell formations, unless an exception is granted by the Director.

6. The proposed wells shall be drilled from a maximum of three (3) well pads located within the approximate 1,600-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

7. The granting of this Application is in accordance with the Oil and Gas Conservation Act, C.R.S. § 34-60-101 et seq., and the Commission Rules.

**8. The Application Lands include minerals owned by the State of Colorado. Verdad agrees to submit a Communization Agreement to the Colorado State Land Board at least ninety (90) days before the anticipated date of first production (as defined in the COGCC Rules) from the initial well drilled within the approximate 1,600-acre drilling and spacing unit.**

9. Verdad requests that the relief granted under this Application be effective upon oral order of the Commission, and Verdad hereby agrees to be bound by such oral order.

10. The undersigned certifies that copies of this Application will be served on each interested party at least thirty-five (35) days in advance of any Commission hearing at which the matter will first be heard, pursuant to Rule 507.

WHEREFORE, Verdad respectfully requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that the Commission enter an Order to:

- A. Establish an approximate 1,600-acre drilling and spacing unit for the Application Lands and approve 16 horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations;
- B. Require the productive interval of the wellbore of any permitted wells in the unit to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit; and
- C. Provide that the wells shall be drilled a maximum of three (3) well pads within the unit subject to Rule 318A. or on adjacent lands, unless an exception is granted by the Director.

DATED this 31<sup>st</sup> day of August, 2017.

Respectfully submitted,

VERDAD RESOURCES LLC

By: 

Michael T. Jewell, Esq. #40902  
Courtney M. Shephard, Esq. #47668

Burns, Figa & Will, P.C.  
6400 S. Fiddler's Green Circle – Suite 1000  
Greenwood Village, CO 80111

Verdad Resources LLC  
Frederick E. Rowe, IV, Land Manager  
5950 Cedar Springs Road, Suite 200  
Dallas, TX 75235-6803



**Exhibit A**

**Reference Map of Application Lands**



## **Exhibit B**

### Interested Parties

|  |   |
|--|---|
| Michael T. Jewell<br>Courtney M. Shephard<br>Burns, Figa & Will, P.C.<br>6400 S. Fiddler's Green Cir., Suite 1000<br>Greenwood Village, CO 80111 | Verdad Resources LLC<br>5950 Cedar Springs Road, Suite 200<br>Dallas, TX 75235                  |
| Anadarko E&P Onshore, LLC<br>1201 Lake Robins Drive<br>The Woodlands, TX 77380   | BHL Investors<br>P.O. Box 721<br>Pampa, TX 79065  |
| BP Energy, Inc.<br>4530 S. Verbena #381<br>Denver, CO 80237  | Channel Petroleum, Inc.<br>12 Foothills Ash<br>Littleton, Co 80127                              |
| Confluence Resources LP<br>1001 17th Street, Suite 1250<br>Denver, CO 80202  | Extraction Oil and Gas, LLC<br>370 17th Street, Suite 5300<br>Denver, CO 80202                  |
| Kerr-McGee Oil & Gas Onshore LP<br>1999 Broadway, Suite 3700<br>Denver, CO 80202   | PetroShare Corporation<br>9635 Maroon Circle, Suite 400<br>Englewood, CO 80112                  |
| Renegade Oil and Gas, LLC<br>P.O. Box 460413<br>Aurora, CO 80046   | Sovereign Energy Limited Liability<br>Company<br>621 17th Street, Suite 830<br>Denver, CO 80293 |
| Colorado State Land Board<br>1127 Sherman St.<br>Denver, CO 80203  |   |



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CERTIFICATE OF SERVICE

Courtney M. Shephard, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Verdad Resources LLC, and that on August 31, 2017, she caused a copy of the Application submitted to COGCC on August 25, 2017, to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.

By: Courtney M. Shephard  
Courtney M. Shephard, Esq.  
License #47668  
Burns, Figa & Will, P.C.  
6400 S. Fiddler's Green Circle – Suite 1000  
Greenwood Village, CO 80111

STATE OF COLORADO )  
 ) SS.  
COUNTY OF ARAPAHOE )

Subscribed and sworn to before me this 31<sup>st</sup> day of August, 2017

My commission expires: 6-3-2019

PARASIA OLEKSIUK  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20154021765  
MY COMMISSION EXPIRES JUNE 3, 2019

Parasia Oleksiuk