

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. 171200842  
NIOBRARA AND CODELL FORMATIONS, )  
WATTENBERG FIELD, WELD 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 1,280-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 two (2) well pads for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations on the following described lands:

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

Section 27: All

Section 34: All

Weld County, Colorado (containing a total of approximately 1,280 acres)

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

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. 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 Codell-Niobrara formations, the Codell formation, and the Niobrara formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order 407-1.

**5. The Application Lands contain the Rowe 13N-27HZ well (API No. 05-123-33826), a horizontal well operated by Kerr-McGee Oil & Gas Onshore LP. The spud date for the Rowe 13N-27HZ well was August 2, 2011, and the wellbore was completed on August 21, 2011. COGIS records indicate that the well is currently shut in. According to the Form 2/Application for Permit to Drill approved June 30, 2011, the Rowe 13N-27HZ well is spaced as a 640-acre wellbore spacing unit covering all of Section 27. Verdad excludes the Rowe 13N-27HZ well from this Application, to the extent it is still producing, and asserts that the production and payments from the well should be maintained under the authority COGCC Rule 318A.a.(4)D. and any applicable Commission orders.**

6. Verdad requests that the Commission approve the development of up to sixteen (16) horizontal wells in the proposed approximate 1,280-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.

7. 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.

8. The proposed wells shall be drilled from a maximum of two (2) well pads located within the approximate 1,280-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

9. 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.

10. 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.

11. The names and addresses of the interested parties, according to Verdad's information and belief, are set forth in the attached Exhibit A, and 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 1,280-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 two (2) well pads within the unit subject to Rule 318A. or on adjacent lands, unless an exception is granted by the Director.

**[SIGNATURE PAGE FOLLOWS]**

DATED this 3<sup>rd</sup> day of November, 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**

Interested Party List  
Spacing Application

Township 1 North, Range 64 West, 6<sup>th</sup> P.M.

Section 27: All

Section 34: All

Verdad Resources LLC Frederick E. Rowe, IV, Land Manager 5950 Cedar Springs Road, Suite 200 Dallas, TX 75235-6803	Michael T. Jewell, Esq. Courtney M. Shephard, Esq. Burns, Figa & Will, PC 6400 S. Fiddler's Green Cir. – Ste 1000 Greenwood Village, CO 80111
Colorado Parks and Wildlife 1313 Sherman Street, 6 <sup>th</sup> Floor Denver, CO 80203	Colorado Department of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246
Weld County Department of Planning Services c/o Troy Swain 1555 North 17 <sup>th</sup> Avenue Greeley, CO 80631	

**Exhibit B**

Reference Map of Application Lands

