

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.
NIOBRARA AND CODELL FORMATIONS, )	
WATTENBERG FIELD, WELD COUNTY, )	TYPE:                    Spacing
COLORADO )	

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 2 North, Range 64 West, 6<sup>th</sup> P.M.  
Section 25: All  
Section 36: 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. 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.

6. 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.

7. 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.

8. This drilling and spacing unit contains Colorado State Board of Land Commissioners ("State Land Board") leased and/or unleased minerals. A Communitization Agreement with the State Land Board will be required for all wells drilled under the terms of this order. A Communitization Agreement must be submitted prior to drilling operations for a well within the drilling and spacing unit.

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.

DATED this 9<sup>th</sup> day of November, 2017.

Respectfully submitted,

VERDAD RESOURCES LLC

By: Courtney M. Shephard  
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

VERIFICATION

STATE OF TEXAS                            )  
   )  
 COUNTY OF     DALLAS                )

ss.

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

- 1. He is Land Manager for Verdad Resources LLC, whose address is 5950 Cedar Springs Road, Suite 200, Dallas, Texas 75235-6803.
- 2. He has read the within application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

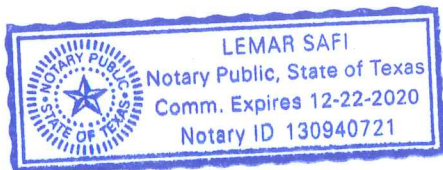
Further Affiant sayeth not.

*Frederick E. Rowe IV*  
 \_\_\_\_\_  
 Frederick E. Rowe IV

Subscribed and sworn to before me this   9   day of   NOVEMBER  , 2017.

Witness my hand and official seal.

My commission expires:   12-22-2020  



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Exhibit A

Interested Party List  
Spacing Application

Township 2 North, Range 64 West, 6<sup>th</sup> P.M.

Section 25: All

Section 36: 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	Noble Energy, Inc. 1001 Noble Energy Way Houston, TX 77070
Petro Quest, Inc. 5005 W. Royal Lane, Suite 298 Irving, TX 75063	

Exhibit B

Reference Map of Application Lands

