

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 1,600-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 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 63 West, 6<sup>th</sup> P.M.  
Section 18: S½  
Section 19: All  
Section 30: All

Weld 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 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. 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 two (2) 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. 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.

9. 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 1,600-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 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 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 )  
 ) ss.  
COUNTY OF DALLAS )

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.

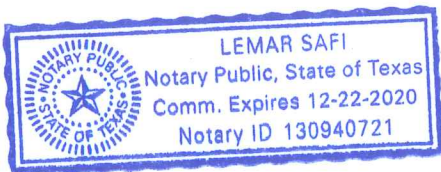
Further Affiant sayeth not.

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

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

Witness my hand and official seal.

My commission expires: 12-22-2020



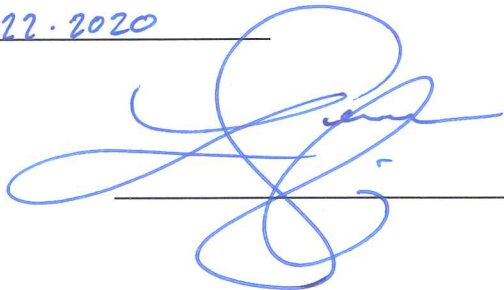
  
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Exhibit A

Interested Party List  
Spacing Application

Township 2 North, Range 63 West, 6<sup>th</sup> P.M.

Section 18: S½

Section 19: All

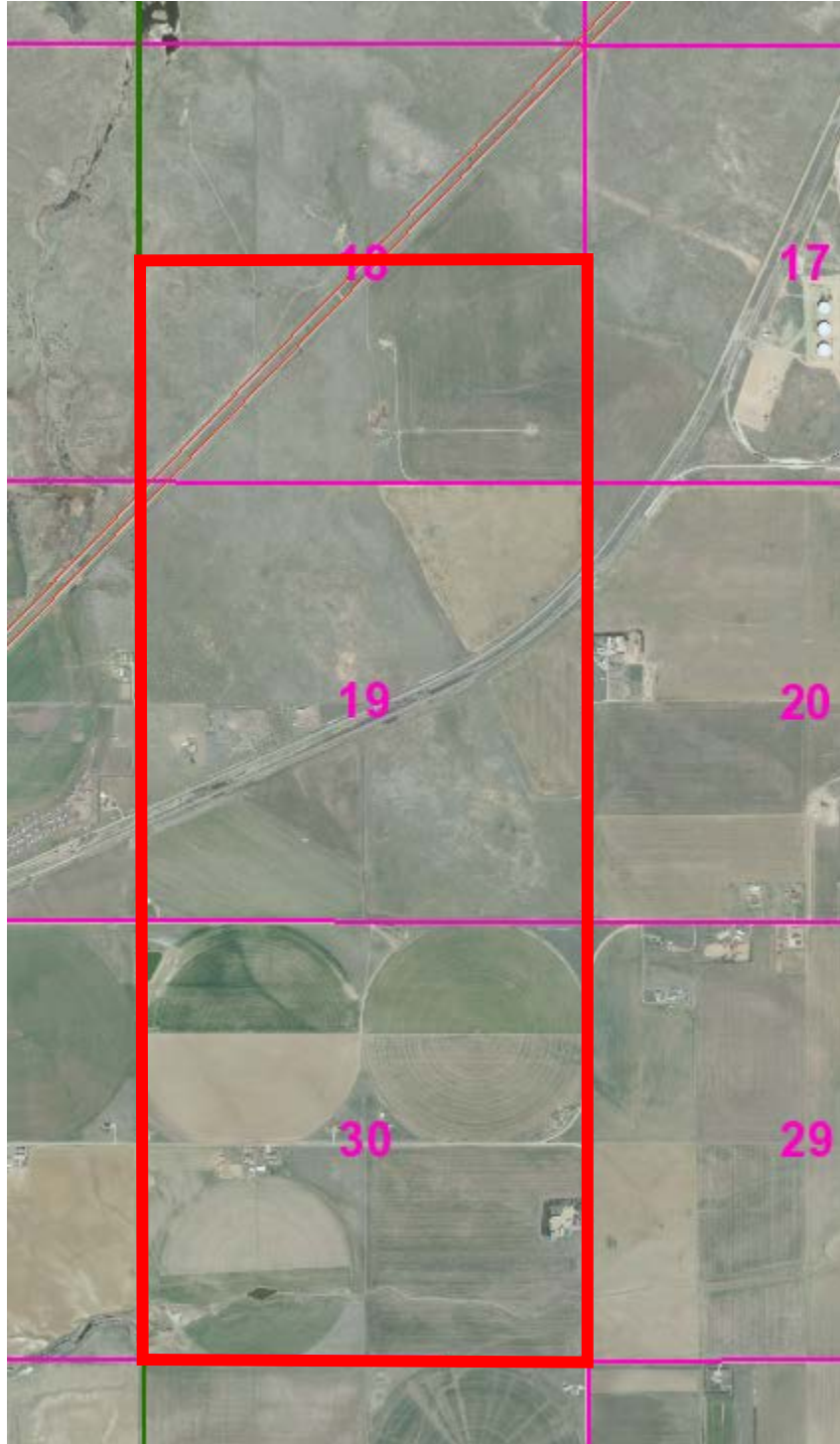
Section 30: All

Verdad Resources LLC Attn: Frederick E. Rowe, IV, Land Manager	5950 Cedar Springs Rd. - Ste 200	Dallas	TX	75235
Burns, Figa & Will, PC Attn: Michael T. Jewell, Esq. Courtney M. Shephard, Esq.	6400 S. Fiddler's Green Cir. – Ste 1000	Greenwood Village	CO	80111
Colorado Department of Public Health & Environment	4300 Cherry Creek Dr. South	Denver	CO	80246
Colorado Parks and Wildlife	1313 Sherman Street - 6 <sup>th</sup> Flr.	Denver	CO	80203
Weld County Department of Planning Services c/o Troy Swain	1555 North 17 <sup>th</sup> Avenue	Greeley	CO	80631
Aaron L. Kaiser	8537 WCR 51	Keenesburg	CO	80643
Alice Elaine Gutierrez	710 Elder St.	Kersey	CO	80644
Bill Barrett Corporation	1099 18th St. - Suite 2300	Denver	CO	80202
BNSF Railway Company	2650 Lou Menk Dr.	Fort Worth	TX	76131
Carol Ann Spelts	25606 Weld County Rd 18	Keenesburg	CO	80643
Charlene Mason	6337 W. Mississippi Place	Lakewood	CO	80232
County of Weld	1150 O Street P.O. Box 758	Greeley	CO	80631
Dale L. Arnold as Personal Representative of Wynona Mae Arnold	15650 Powhatan Road	Brighton	CO	80601
Dale L. Arnold	15650 Powhatan Road	Brighton	CO	80601
Edna Marie Arnold Green	24715 East 152nd	Brighton	CO	80601
Eleanor L. Howell Arnold	67 SO. 3rd Avenue	Brighton	CO	80601
Eugene A. Wolfe	4811 Harbor Blvd.	Columbus	OH	43232
Evonne LaRue Adams	335 S. Pine St.	Keenesburg	CO	80643
Foundation Energy Fund II, LLC	14800 Landmark Blvd. - Ste 220	Dallas	TX	75254
Gary Douglas Myers	Troutdale Scenic Dr.	Evergreen	CO	80439
Heidi D. Roberston	8537 WCR 51	Keenesburg	CO	80643
HRM Resources II, LLC	410 17th St.	Denver	CO	80202
James Walters a/k/a James Walter	460 Road R	Saint Francis	KS	67756
Kathy L. Heavers	1939 Otter Pond Circle	Montrose	CO	81401
Lori J. Kaiser	8537 WCR 51	Keenesburg	CO	80643

Lottie Claramay Arnold Warren	908 17th Ave	Brighton	CO	80601
Mary Stika a/k/a Mary M. Stika & Richard C. Stika, JT	5895 W. First Avenue	Lakewood	CO	80226
Michael Wolfe	701 South Ridgewood Avenue	Daytona Beach	FL	32014
Noble Energy, Inc.	1625 Broadway	Denver	CO	80202
Richard I. Robertson	8537 WCR 51	Keenesburg	CO	80643
RKC, Inc.	7500 E. Arapahoe Rd. - Suite 380	Centennial	CO	80122
Robert A. Koeneke	8065 Marshall Ct.	Arvada	CO	80003
Ronald M. Rome and Jeri E. Dyer, JT	7319 WCR 63	Keenesburg	CO	80643
Susan L. Koeneke	P.O. Box 1032	Fraser	CO	80442
The Unknown Heirs of Richard Raymond Arnold, deceased	920 Rolling Green Dr.	Rio Vista	CA	94571
Thomas D. Koeneke	6205 N. Taylor Rd.	Mission	TX	78573
Tim Walter	5980 S. Oak Way	Littleton	CO	80127
Trust for the Benefit of Ruth Elda Arnold Glantz, Lottie Claramay Arnold Warren, Trustee	908 17th Ave	Brighton	CO	80601
U.S. Mineral & Royalty Corporation	6464 South Quebec St.	Englewood	CO	80111
Wayne V. Arnold	P. O. Box 485	Aguilar	CO	81020
William L. Arnold	6291 S. 1800 West - Box 68	Hyrum	UT	84319

Exhibit B

Reference Map of Application Lands



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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.	180100025
NIOBRARA AND CODELL FORMATIONS, )		
WATTENBERG FIELD, WELD COUNTY, )	TYPE:	Spacing
COLORADO )		

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 November 14, 2017, she caused a copy of the Application submitted to COGCC on November 9, 2017, to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A 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 14<sup>th</sup> day of November, 2017

My commission expires: June 3, 2019

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