

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: (1) vacate Order No. 407-659; and (2) 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 4 North, Range 62 West, 6th P.M.

Section 23: All

Section 24: 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 July 11, 2012, the Commission entered Order No. 407-659, which, among other things, established a 640-acre drilling and spacing unit for Township 4 North, Range 62 West, Section 24: All, for the production of oil, gas, and associated hydrocarbons from the Niobrara formation, and approved up to one horizontal well within the unit.

5. Verdad requests the Commission vacate Order No. 407-659. According to Commission records, there are no producing wells in Section 24. The proposed approximate 1,280-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells.

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. Vacate Order No. 407-659;
- B. 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;
- C. 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
- D. 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 15th day 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

VERIFICATION

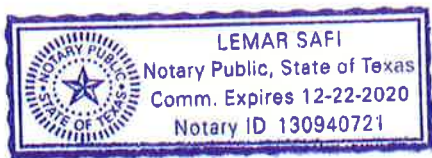
Rick Rowe

Frederick E. Rowe IV

Subscribed and sworn to before me this 15th day of November, 2017.

Witness my hand and official seal.

My commission expires: 12.22.2020



[Signature]

Exhibit A

Interested Party List
Spacing Application

Township 4 North, Range 62 West, 6th P.M.

Section 23: All

Section 24: 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 th 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 th Avenue Greeley, CO 80631	Anschutz Exploration 555 17 th Street, Suite 2400 Denver, CO 80202
Bill Barrett Corporation 1099 18 th Street, Suite 2300 Denver, CO 80202	Robert L. Twist Revocable Trust 4612 E. Sparkling Lane Paradise Valley, AZ 85253

Exhibit B

Reference Map of Application Lands



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. 180100028
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:

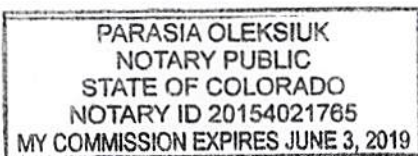
That she is the attorney for Verdad Resources LLC, and that on November 16, 2017, she caused a copy of the Application submitted to COGCC on November 15, 2017, to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

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 20th day of November, 2017

My commission expires: June 3, 2019



Parasia Oleksiuk