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

IN THE MATTER OF THE APPLICATION OF)	Cause No. 407
VERDAD RESOURCES LLC. FOR AN ORDER)	
ESTABLISHING AN APPROXIMATE 640-ACRE)	Docket No. 180300021
DRILLING AND SPACING UNIT AND WELL)	
LOCATION RULES APPLICABLE TO THE)	Type: SPACING
DRILLING AND PRODUCING OF WELLS FROM)	
THE CODELL AND NIOBRARA FORMATIONS)	
COVERING THE E½ OF SECTION 29, AND)	
THE E½ OF SECTION 32, TOWNSHIP 1)	
NORTH, RANGE 65 WEST, 6TH P.M.,)	
WATTENBERG FIELD, WELD COUNTY,)	
COLORADO.)	

APPLICATION

Verdad Resources, LLC, Operator No. 10651 ("Applicant" or "Verdad"), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate 640-acre drilling and spacing unit and establishing well location rules applicable to the drilling of wells and producing of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations covering certain lands in Weld County, Colorado. In support of its Application, Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in Colorado.

2. Applicant owns leasehold interests in the following lands ("Application Lands"):

Township 1 North, Range 65 West, 6th P.M.
Section 29: E½
Section 32: E½

Weld County, Colorado

A reference map of the Application Lands is attached as Exhibit B hereto.

3. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended on August 8, 2011 to, among other things, address the drilling of horizontal wells and requires that a horizontal wellbore spacing unit must include any governmental quarter-quarter section that is located less than 460' from the completed interval of the wellbore lateral. Rule 318A supersedes all prior

Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

4. On June 13, 2014, the Commission approved seven (7) Form 2 Applications for Permit-to-Drill for the Sawyer 32-2 (API No. 05-123-39609), the Sawyer 32-3 (API No. 05-123-39608), Sawyer 32-4 (API No. 05-123-39606), Sawyer 32-5 (API No. 05-123-39611), Sawyer 32-6 (API No. 05-123-39607), the Sawyer 32-7 (API No. 05-123-39610), and the Sawyer 32-8 (API No. 05-123-39612) (collectively the "Sawyer Wells"), on the Application Lands. In doing so, the Commission administratively approved seven horizontal wellbore spacing units pursuant to Commission Rule 318A. The Form 2s for the Sawyer Wells expired on June 13, 2016. The Sawyer Wells were never drilled on the Application Lands.

5. There are no horizontal wells on the Application Lands.

6. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, Applicant requests that the Commission establish an approximate 640-acre drilling and spacing unit covering the Application Lands described below for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations:

Township 1 North, Range 65 West, 6th P.M.

Section 29: E½

Section 32: E½

7. Applicant is requesting to drill and complete one (1) horizontal well in the approximate 640-acre drilling and spacing unit described above, with the option to drill and complete up to a total of sixteen (16) horizontal wells in the unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. Applicant further requests that the treated interval of each wellbore be no closer than 150 feet from the treated interval of any other wellbore producing from the Codell and Niobrara Formations, and no closer than 460 feet from a unit boundary, without exception being granted by the Director.

8. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Codell and Niobrara Formations, prevents waste, does not adversely affect correlative rights, and assures the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Codell and Niobrara Formations. The drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing unit. Applicant further maintains that wells drilled in the drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

9. Applicant states that the wells be drilled and operated from two (2) well pads located within the unit or from legal locations on adjacent lands, without exception granted by the Director.

10. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the

undersigned certifies that copies of the original Application shall be served on each interested party as required by Rule 507.b.(1).

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that, upon such hearing, this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this 9th day of December, 2017.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By:  _____

Joseph C. Pierzchala
Geoffrey W. Storm
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
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303-830-2500
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Applicant's Address:

Verdad Resources LLC
ATTN: Frederick E. Rowe
5950 Cedar Springs Road, Suite 200
Dallas, TX 75235
Phone: 214-838-2758

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

Frederick E. Rowe IV, with Verdad Resources LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

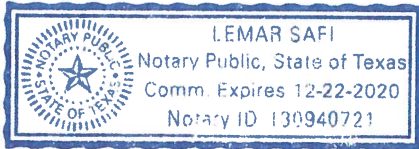
VERDAD RESOURCES LLC




Frederick E. Rowe IV

Subscribed and sworn to before me this 8TH day of December, 2017, by Frederick E. Rowe IV, Verdad Resources LLC.

Witness my hand and official seal.





Notary Public
My Commission Expires: 12-22-2020

EXHIBIT A

INTERESTED PARTIES

Colorado Department of Public Health and Environment

Kent Kuster
4300 Cherry Creek Drive South
Denver, CO 80246-1500

Colorado Parks and Wildlife

Brandon Marette
Northeast Region Office
6060 Broadway
Denver, CO 80216

Weld County

Troy Swain
Weld County
Department of Planning Services
1555 North 17th Ave.
Greeley, CO 80631

Town of Lochbuie

Steve Stamey
Town of Lochbuie
703 Weld CR 37
Lochbuie, CO 80603

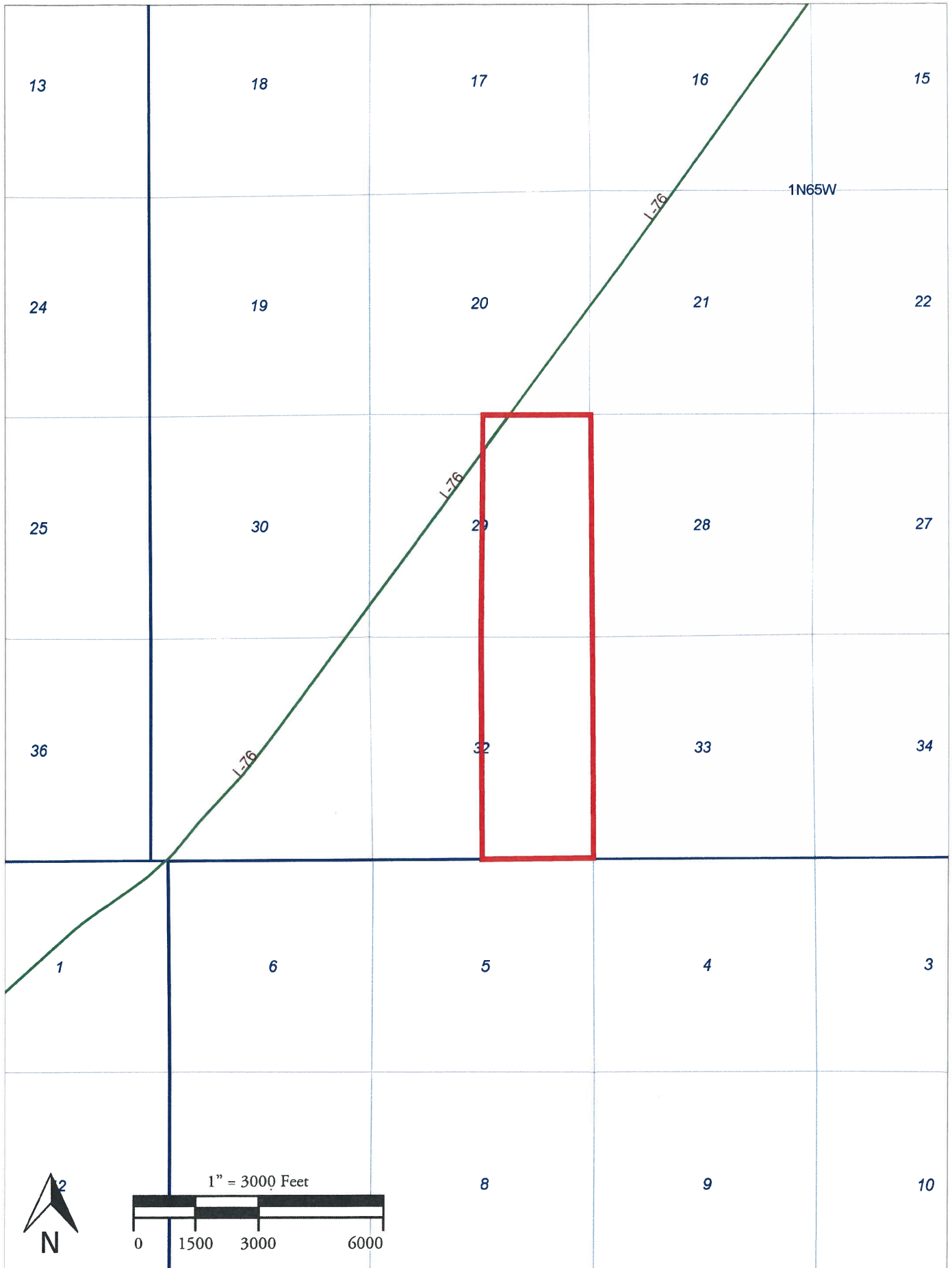
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EXHIBIT A

INTERESTED PARTIES

ANADARKO PETROLEUM CORPORATION
KERR-MCGEE OIL & GAS ONSHORE LP
DANIEL A. SISK, TRUSTEE FOR ROGER A. PARKER/PAMELA E. PARKER TRUST
DAVID GIBSON
ROY F. MILLER
MIKE MARTIN

Exhibit B - Application Lands



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Cause No. 407
Docket No. 180300021
Type: SPACING

AFFIDAVIT OF MAILING

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

I, Geoffrey W. Storm, of lawful age, and being first duly sworn upon my oath, state and declare:

That I am the attorney for Verdad Resources LLC and that on or before December 15, 2017, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties on the Exhibit A to the Application.



Geoffrey W. Storm

Subscribed and sworn to before me December 14, 2017

Witness my hand and official seal.

JOAN E. HOOVER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19944011557
MY COMMISSION EXPIRES AUGUST 17, 2018



Notary Public
My commission expires: August 17, 2018