

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

<del>IN THE MATTER OF THE APPLICATION OF</del> ) <del>VERDAD RESOURCES, LLC FOR AN ORDER</del> ) <del>VACATING TWO APPROXIMATE 640-ACRE</del> ) <del>DRILLING AND SPACING UNITS</del> ) <del>ESTABLISHED BY ORDER NO. 421-3,</del> ) <del>VACATING ORDER NOS. 535-280 AND 535-289</del> ) <del>AS TO THE APPLICATION LANDS, AND</del> ) <del>ESTABLISHING AN APPROXIMATE 1,280-</del> ) <del>ACRE DRILLING AND SPACING UNIT, AND</del> ) <del>ESTABLISHING WELL LOCATION RULES, FOR</del> ) <del>THE DRILLING OF WELLS AND PRODUCING</del> ) <del>OF OIL, GAS, AND ASSOCIATED</del> ) <del>HYDROCARBONS FROM THE NIOBRARA,</del> ) <del>FORT HAYS, CODELL, AND CARLILE</del> ) <del>FORMATIONS FOR SECTIONS 24 AND 25,</del> ) <del>TOWNSHIP 11 NORTH, RANGE 62 WEST, 6TH</del> ) <del>P.M., HEREFORD FIELD, WELD COUNTY,</del> ) <del>COLORADO</del> ) <b>IN THE MATTER OF THE</b> ) <b>PROMULGATION AND ESTABLISHMENT OF</b> ) <b>FIELD RULES TO GOVERN OPERATIONS FOR</b> ) <b>THE NIOBRARA, FORT HAYS, CODELL, AND</b> ) <b>CARLILE FORMATIONS, HEREFORD FIELD,</b> ) <b>WELD COUNTY, COLORADO</b> )	Cause No. <b>421407</b>  Docket No. 180600396  Type: SPACING
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**AMENDED APPLICATION**

Verdad Resources, LLC, Operator No. 10651 (“Applicant” or “Verdad”), by and through its attorneys, ~~Welborn Sullivan Meek & Tooley, P.C.~~ **BURNS, FIGA & WILL, P.C.**, respectfully submits this **AMENDED** Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission”) for an order to vacate two approximate 640-acre drilling and spacing units established by Order No. 421-3, to vacate Order Nos. 535-280 and 535-289 as to the Application Lands, and to establish an approximate 1,280-acre drilling and spacing unit, and approve up to ~~fifteen~~ **SEVENTEEN** horizontal wells within the unit, for the drilling of wells and producing of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations. 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 11 North, Range 62 West, 6th P.M.  
 Section 24: All  
 Section 25: All

Weld County, Colorado

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

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, **UNLESS AUTHORIZED BY ORDER OF THE COMMISSION UPON HEARING**. The Application Lands are subject to certain aspects of this rule.

4. On October 21, 2010, the Commission entered Order No. 421-3, which established 83 approximate 640-acre drilling and spacing units for lands in Townships 10, 11, and 12 North, Ranges 62, 63, and 64 West, 6th P.M., and approved one horizontal well within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the horizontal leg of the well being no closer than 600 feet from the unit boundary, without exception being granted by the Director. The Application Lands are subject to this order for the Niobrara Formation.

5. On March 25, 2013, the Commission entered Order No. 535-280, which approved a total of up to six horizontal wells within each of four approximate 640-acre drilling and spacing units established by Order No. 421-3, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbores to be located no closer than 600 feet from the unit boundaries, and no closer than 600 feet from the treated interval of any other wellbore located within the unit, without exception being granted by the Director. Section 25 of the Application Lands is subject to this order for the Niobrara Formation.

6. On March 25, 2013, the Commission entered Order No. 535-289, which pooled all interests in four approximate 640-acre drilling and spacing units established for certain lands in Weld County, Colorado, and approved cost recovery pursuant to Section 34-60-116(7), C.R.S., against the nonconsenting owners in the Timbro Ranch 6-41-9-59 Well, the Ohare 5-21-10-57 Well, the Jones 19-11-10-59 Well, and the Shutt 1-25-11-62 Well, for the development and operation of the Niobrara Formation. Section 25 of the Application Lands is subject to this order for the Niobrara Formation.

7. According to the public data of the Commission records, the Shutt 1-25-11-62 Well is an Abandoned Location and was never drilled on the Application Lands.

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

9. To promote efficient drainage, and to assist in preventing waste, Applicant requests that the Commission vacate two approximate 640-acre drilling and spacing units established by Order No. 421-3 for Sections 24 and 25, Township 11 North, Range 62 West, 6th P.M., vacate Order Nos. 535-280 and 535-289 as to the Application Lands, and establish an approximate 1,280-acre drilling and spacing unit for the Application Lands described below for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations:

Township 11 North, Range 62 West, 6th P.M.

Section 24: All  
Section 25: All

**10.** Applicant is requesting to drill and complete one (1) horizontal well in the approximate 1,280-acre drilling and spacing unit described above, with the option to drill and complete up to a total of ~~fifteen (15)~~ **SEVENTEEN (17)** horizontal wells in the unit, for production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile 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 Niobrara, Fort Hays, Codell, and Carlile Formations, and no closer than ~~600~~**300** feet from a unit boundary, without exception being granted by the Director.

**11. APPLICANT STATES THAT ANY PERMITTED WELLS WILL BE DRILLED IN A SOUTH-NORTH ORIENTATION.**

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

**13.** Applicant states that the wells **WILL** be drilled and operated from four (4) well pads located within the unit or from legal locations on adjacent lands, without exception granted by the Director.

**14.** 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 503.e. and Rule 507.b.(1).

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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      day of ~~March, 2018~~ **21ST DAY OF JUNE, 2018.**

Respectfully submitted,

~~WELBORN SULLIVAN MECK & TOOLEY, P.C.~~

By: \_\_\_\_\_

~~Joseph C. Pierzchala  
Geoffrey W. Storm  
Welborn Sullivan Meck & Tooley, P.C.  
Attorneys for Applicant  
1125 17th Street, Suite 2200  
Denver, CO 80202  
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**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**

Applicant's Address:

Verdad Resources LLC  
ATTN: ~~David Richardson~~ **LEMAR SAFI**  
5950 Cedar Springs Road, Suite 200  
Dallas, TX 75235  
Phone: 214-838-2758

VERIFICATION

STATE OF COLORADO                                    )  
  )  
COUNTY OF Denver                                )           ss.

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

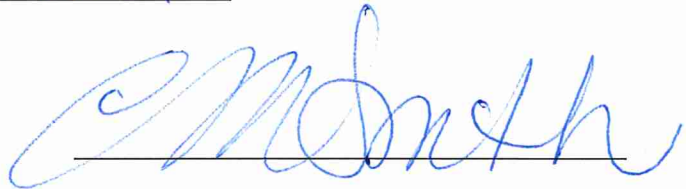
1. He is a Landman for Verdad Resources LLC, whose address is 5950 Cedar Springs Road, Suite 200, Dallas, Texas 75235-6803.
  
2. He has read the within application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.

  
\_\_\_\_\_  
Lemar Safi

Subscribed and sworn to before me this 20<sup>th</sup> day of June, 2018.

Witness my hand and official seal.  
My commission expires: 04.17.2021

  
\_\_\_\_\_

CHRISTINE MARIE SMITH  
Notary Public  
State of Colorado  
Notary ID # 20174016589  
My Commission Expires 04-17-2021

**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 17<sup>th</sup> Ave.  
Greeley, CO 80631

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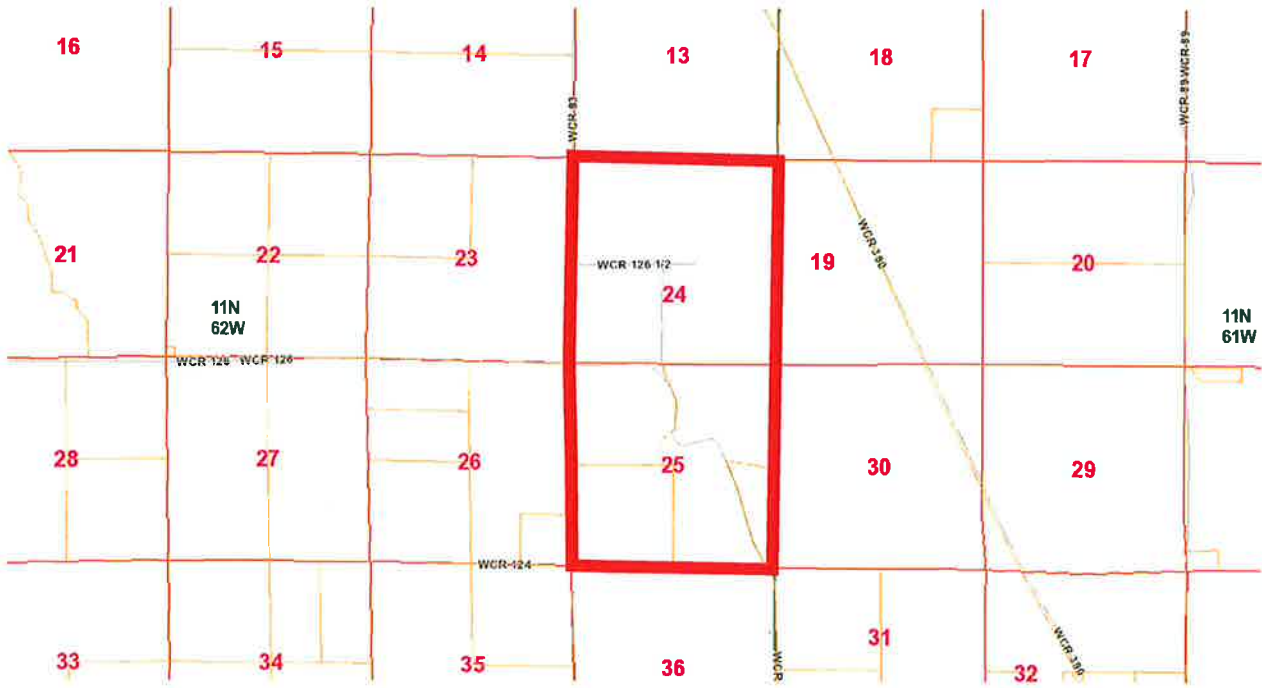
EXHIBIT A

INTERESTED PARTIES

**GALLEGOS FAMILY PROPERTIES, LLC, A COLORADO LIMITED LIABILITY COMPANY  
8 NORTH, LLC, A DELAWARE LIMITED LIABILITY COMPANY  
WALSH PRODUCTION, INC.  
FRANK H. WALSH, LLC  
JIMMY D. SHUTT  
GAYLA M. SHUTT  
WRAY E. NICKLAS AND CRISTIE L. NICKLAS  
SHABLE LAND CO. LLC, A COLORADO LIMITED LIABILITY COMPANY  
MORNING GUN EXPLORATION LLC  
FIFTH CREEK ENERGY OPERATING COMPANY, LLC  
EXTRACTION OIL & GAS, INC., A DELAWARE COMPANY  
BILL BARRETT CORPORATION  
HIGHPOINT RESOURCES**

# EXHIBIT B

## APPLICATION LANDS





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

IN THE MATTER OF THE PROMULGATION ) CAUSE NO. 407  
AND ESTABLISHMENT OF FIELD RULES )  
TO GOVERN OPERATIONS FOR THE ) DOCKET NO. 180600396  
NIOBRARA, FORT HAYS, CODELL, AND )  
CARLILE FORMATIONS, HEREFORD ) TYPE: SPACING  
FIELD, WELD COUNTY, 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 June 22, 2018, she caused a copy of the Amended Application submitted to COGCC on June 21, 2018, to be deposited in the United States Mail, postage prepaid, addressed to the interested parties with known addresses listed on Exhibit A to the Amended 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 22<sup>ND</sup> day of June, 2018.

My commission expires: 6-3-2019

[Signature]

