

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

IN THE MATTER OF THE **AMENDED**) Cause No. 535
APPLICATION OF VERDAD RESOURCES, LLC)
FOR AN ORDER ESTABLISHING AN) Docket No. 180700539
APPROXIMATE 1,280-ACRE DRILLING AND)
SPACING UNIT, AND ESTABLISHING WELL) Type: SPACING
LOCATION RULES, FOR THE DRILLING OF)
WELLS AND PRODUCING OF OIL, GAS, AND)
ASSOCIATED HYDROCARBONS FROM THE)
NIOBRARA, FORT HAYS, CODELL, AND)
CARLILE FORMATIONS FOR CERTAIN LANDS)
IN SECTIONS 20, 29, AND 32, TOWNSHIP 10)
NORTH, RANGE 61 WEST, 6TH P.M.,)
UNNAMED FIELD, WELD COUNTY,)
COLORADO)

AMENDED APPLICATION

Verdad Resources, LLC, Operator No. 10651 (“Applicant” or “Verdad”), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission”) for an order to establish an approximate 1,280-acre drilling and spacing unit and approve up to ~~four (4)~~ **eight (8)** 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 **Amended** Application, Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in Colorado.
2. Applicant owns leasehold interests, and/or is an Owner with the right to drill, in the following lands (“ Application Lands”):

Township 10 North, Range 61 West, 6th P.M.
Section 20: S½
Section 29: All
Section 32: N½

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.

4. To promote efficient drainage, and to assist in preventing waste, Applicant requests that the Commission establish an approximate 1,280-acre drilling and spacing unit for following described Application Lands, and approve up to ~~four (4)~~ **eight (8)** horizontal wells within the unit, with the treated interval of any well within the unit located no closer than 600 feet from the unit boundary, and no closer than 150 feet from the treated interval of any other wellbore producing from the Niobrara, Fort Hays, Codell, and/or Carlile Formations, without exception being granted by the Director:

Township 10 North, Range 61 West, 6th P.M.

Section 20: S½

Section 29: All

Section 32: N½

5. 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.

6. 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 within the unit will have no adverse effect on correlative rights of adjacent owners.

7. The Application Lands contain federal minerals. As such, Applicant agrees to submit a Communitization Agreement to the BLM at least 30 days before the anticipated date of first production (as defined in the COGCC Rules) from the initial well drilled within the unit.

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

9. 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~~ **were** served on each interested party as required by Rule 503.e. Rule 507.b.(1), and Rule 507.c. **Applicant further certifies that all interested parties will be mailed notice of this Amended Application at least 35 days ahead of the hearing.**

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 July, 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
303-830-2500
jpierzchala@wsmtlaw.com
gstorm@wsmtlaw.com

Applicant's Address:

Verdad Resources LLC
ATTN: Lemar Safi
5950 Cedar Springs Road, Suite 200
Dallas, TX 75235
Phone: 214-838-2758

EXHIBIT A

PARTIES ENTITLED TO NOTICE UNDER RULE 507.c.

Colorado Department of Public Health and Environment

Attn: Oil and Gas Liason
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

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

[remainder of page intentionally left blank]

EXHIBIT A

INTERESTED PARTIES

Morning Gun Exploration LLC
8 North, LLC
Lee Ann Nussbaum, sole heir to Marvin Nussbaum
Hart Energy, LLC
Tracker Resource Development III, LLC
Acoma Energy, LLC
Sharon Rae Jones
Ronald Jackson Shultz
Shade Willie McMillon
BeCanaan McMillon
Becky Jane Nygard
Sammie Lou Belden
Jill Needham-Mithun
Lynn Longmore as PR of the Estate of Larry Nelson, deceased
Carolyn Gubser
United States of America, Attention: Bureau of Land Management
Clinton Bashor
William Bashor
David Bashor
Noble Energy Inc.
OKREEK Oil and Gas, LLC