

RECEIVED

JUN 04 2018

COGCC

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

IN THE MATTER OF AN APPLICATION)	Cause No. 407
OF VERDAD RESOURCES, LLC FOR AN)	
ORDER POOLING ALL INTERESTS IN AN)	Docket No. 180700562
APPROXIMATE 1,280-ACRE DRILLING)	
AND SPACING UNIT COVERING)	Type: POOLING
SECTIONS 25 AND 36, TOWNSHIP 2)	
NORTH, RANGE 64 WEST, 6TH P.M.,)	
WATTENBERG FIELD, WELD COUNTY,)	
COLORADO FOR THE PRODUCTION OF)	
OIL, GAS, AND ASSOCIATED)	
HYDROCARBONS FROM THE)	
NIOBARRA AND CODELL FORMATIONS)	

APPLICATION

Verdad Resources, LLC ("Verdad" or "Applicant"), Operator No. 10651, by 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 pooling all interests in an approximate 1,280-acre drilling and spacing unit established by Order No. 407-2427 for Sections 25 and 36, Township 2 North, Range 64 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. In support thereof, the Applicant states:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado and is a registered operator in good standing with the Commission.
2. Applicant holds leasehold interests and is an Owner with the right to drill in the following described lands ("Application Lands") and has standing to bring this Application pursuant to Commission Rule 503.b.(2):

Township 2 North, Range 64 West, 6th P.M.

Section 25: All

Section 36: All

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. Rule 318A allow for overlapping horizontal wellbore spacing units, 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 horizontal

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 February 19, 1992, amended August 20, 1993, the Commission entered Order No. 407-87, which established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell-Niobrara Formation, the Codell Formation, and the Niobrara Formation underlying certain lands including the Application Lands, with permitted well locations in accordance with the provisions of Order No. 407-1.

5. On April 30, 2018, the Commission entered Order No. 407-2427, which approved Verdad's application for an order to establish an approximate 1,280-acre drilling and spacing unit for Section 25 and 36, Township 2 North, Range 64 West, 6th P.M., and to approve 16 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, with well location rules requiring the productive interval of any wellbore permitted within the unit to be located no closer than 460 feet from the unit boundary, and no closer than 150 feet from the productive interval of any other wellbore located within the unit.. The Application Lands are subject to this order.

6. Applicant has drilled, or has plans to drill, and complete the following wells in the Application Lands in the 2nd-3rd Quarter 2018:

WELL NAME	API No.	SPUD DATE	FORMATION
Helen 24-3H Well	API No. 05-123-46822	2Q-3Q 2018	Niobrara
Helen 24-4H Well	API No. 05-123-46830	2Q-3Q 2018	Niobrara

(collectively the "Helen Wells").

7. Pursuant to the relevant provisions of Section 34-60-116(6) & (7), C.R.S., and Commission Rule 530, Applicant seeks an order pooling all interests in the Application Lands for the development and operation of the Niobrara and Codell Formations.

8. Pursuant to the relevant provisions of Section 34-60-116(7), C.R.S., and Commission Rule 530, Applicant also requests an order authorizing reimbursement and recovery to the consenting owners of the costs and risks of drilling and operating of the Helen Wells out of the proportionate share of any nonconsenting owner within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations.

9. Applicant certifies that, at least thirty-five (35) days prior to the date of the scheduled protest deadline for this Application, each locatable owner not already leased

or voluntarily pooled will be provided with a well proposal and information required by Rule 530 for the Helen Wells, which will include a reasonable offer to lease, or to participate and bear costs associated with the drilling and completion of each of the Helen Wells, or both, as applicable.

10. Applicant requests that the order entered as a result of this Application be made effective retroactive to the date of this Application or the date that the costs specified in Section 34-60-116(7), C.R.S., were first incurred for the drilling of the Helen Wells, whichever is earlier.

11. The granting of this Application would be in accord with the Oil and Gas Conservation Act, found at Section 34-60-101, *et seq.*, C.R.S., and Commission rules.

12. The names of the interested parties (persons who own an interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto and marked Exhibit A. Applicant certifies that copies of this Application will be served on all locatable interested parties within seven (7) days of the date hereof, as required by Commission Rule 503.e. and Rule 507.b.(2).

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:

A. Pooling all interests in the Application Lands for the development and operation of the Codell and Niobrara Formations;

B. Providing that the pooling order is made effective as of the date of this Application, or the date that the costs specified in Section 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the Helen Wells, whichever is earlier;

C. Providing that the interests of any owners, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Helen Wells, are deemed nonconsenting interests, are pooled by operation of statute, pursuant to Section 34-60-116(7), C.R.S., and are made subject to the cost recovery provisions thereof;


D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

[remainder of this page intentionally left blank]

Dated this 31 day of May, 2018

Respectfully submitted,

WELBORN SULLIVAN MECK &
TOOLEY, P.C.

By: 
Joseph C. Pierzchala
Geoffrey W. Storm
Welborn Sullivan Meck & Tooley, P.C.
Attorney 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

VERIFICATION

STATE OF TEXAS

) ss.

CITY & COUNTY OF DALLAS

Lemar Safi, Landman for 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

Lemar Safi, Landman

Subscribed and sworn to before me this 31st day of May, 2018 by Lemar Safi,
Landman for Verdad Resources, LLC

Witness my hand and official seal.

Notary Public

My Commission Expires: 5/23/2020

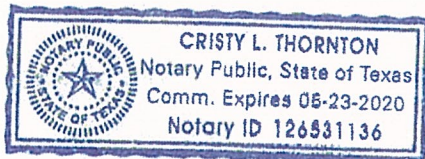
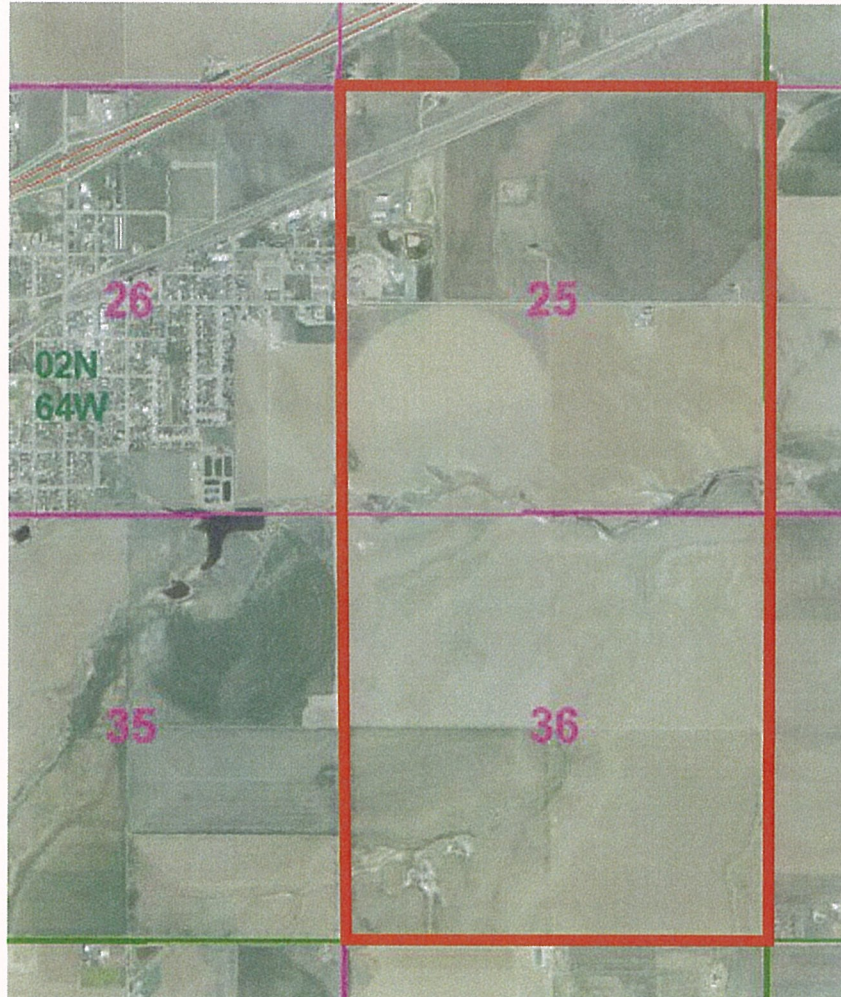


Exhibit A

Anadarko Land Corp.
Kerr-McGee Oil & Gas Onshore LP
Prima Exploration, Inc.
Noble Energy, Inc.
Geotech Production, Inc.

Exhibit B

Reference Map of Application Lands



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

IN THE MATTER OF AN APPLICATION OF)	Cause No. 407
VERDAD RESOURCES, LLC FOR AN ORDER)	
POOLING ALL INTERESTS IN AN)	Docket No. 180700562
APPROXIMATE 1,280-ACRE DRILLING AND)	
SPACING UNIT COVERING SECTIONS 25)	Type: POOLING
AND 36, TOWNSHIP 2 NORTH, RANGE 64)	
WEST, 6TH P.M., WATTENBERG FIELD,)	
WELD COUNTY, COLORADO FOR THE)	
PRODUCTION OF OIL, GAS, AND)	
ASSOCIATED HYDROCARBONS FROM THE)	
NIOBRARA AND CODELL FORMATIONS)	

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:

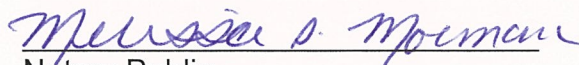
That I am the attorney for Verdad Resources, LLC and that on or before June 7, 2018, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.



Geoffrey W. Storm

Subscribed and sworn to before me June 7, 2018

Witness my hand and official seal.



Notary Public

My commission expires: 8/29/2021

