

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

IN THE MATTER OF THE APPLICATION OF)
VERDAD RESOURCES LLC. FOR AN ORDER)
ESTABLISHING AN APPROXIMATE 1,280-)
ACRE DRILLING AND SPACING UNIT AND)
APPROVING UP TO SIXTEEN HORIZONTAL)
WELLS WITHIN THE UNIT WITH WELL)
LOCATION RULES FOR THE DRILLING OF)
WELLS AND PRODUCING OF OIL, GAS, AND)
ASSOCIATED HYDROCARBONS FROM THE)
NIOBRARA AND CODELL FORMATIONS)
COVERING SECTIONS 11 AND 14, TOWNSHIP)
1 NORTH, RANGE 64 WEST, 6TH P.M.,)
WATTENBERG FIELD, WELD COUNTY,)
COLORADO.)

Cause No. 407

Docket No. 181000839

Type: SPACING

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 1,280-acre drilling and spacing unit, and approving up to sixteen horizontal wells within the unit, with well location rules applicable to the drilling of wells and producing of oil, gas and associated hydrocarbons from the Niobrara and Codell 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 1 North, Range 64 West, 6th P.M.
Section 11: All
Section 14: All

Weld County, Colorado

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

3. On February 19, 1992 (amended August 20, 1993), the Commission entered Order No. 407-87 which, among other things, established 80-acre drilling and spacing units, for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formations, the Codell Formation, and the Niobrara Formation underlying certain lands, including the Application

Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. There are vertical wells producing from the Niobrara and Codell Formations that are subject to this Order. Applicant requests that any such vertical wells continue to be governed by Order No. 407-87, and production continue to be distributed according to their applicable orders.

4. On April 27, 1998, 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.

5. To promote efficient drainage of the Niobrara and Codell Formations, and to assist in preventing waste, Applicant requests that the Commission establish an approximate 1,280-acre drilling and spacing unit covering the Application Lands described below, and approve up to sixteen horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations, with the treated interval of any well within the unit located no closer than 460 feet from the unit boundary, and no closer than 150 feet from the treated interval of any other wellbore producing from the same common source of supply within the unit, without exception being granted by the Director:

Township 1 North, Range 64 West, 6th P.M.

Section 11: All

Section 14: All

6. Applicant requests authority to drill those wells necessary to determine the appropriate well density that allows for the most economic and efficient drainage of the Niobrara and Codell Formations, that prevents waste, that protects correlative rights, and that assures the greatest ultimate recovery of oil, gas and associated hydrocarbons from the Application Lands.

7. The proposed drilling and spacing unit is not smaller than the maximum area that can be drained by the proposed wells within the unit, and will have no adverse effect on correlative rights of adjacent owners.

8. Applicant states that the wells be drilled and operated from three (3) 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 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 20th day of August, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____


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

The matters described herein were all conducted under my direction and control. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

Lemar Safi, Landman
Verdad Resources LLC

The foregoing instrument was subscribed and sworn to before me this 30th day of August, 2018, by Lemar Safi, Landman for Verdad Resources LLC.

My commission expires: 5/23/2020

Cristy L. Thornton
Notary Public

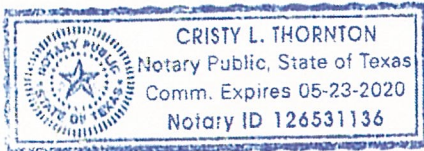


EXHIBIT A

INTERESTED PARTIES

Colorado Department of Public Health and Environment

Attn: Oil and Gas Liaison
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

Town of Keenesburg

Marc Johns
Town of Keenesburg
140 South Main St. PO Box 312
Keenesburg, CO 80643

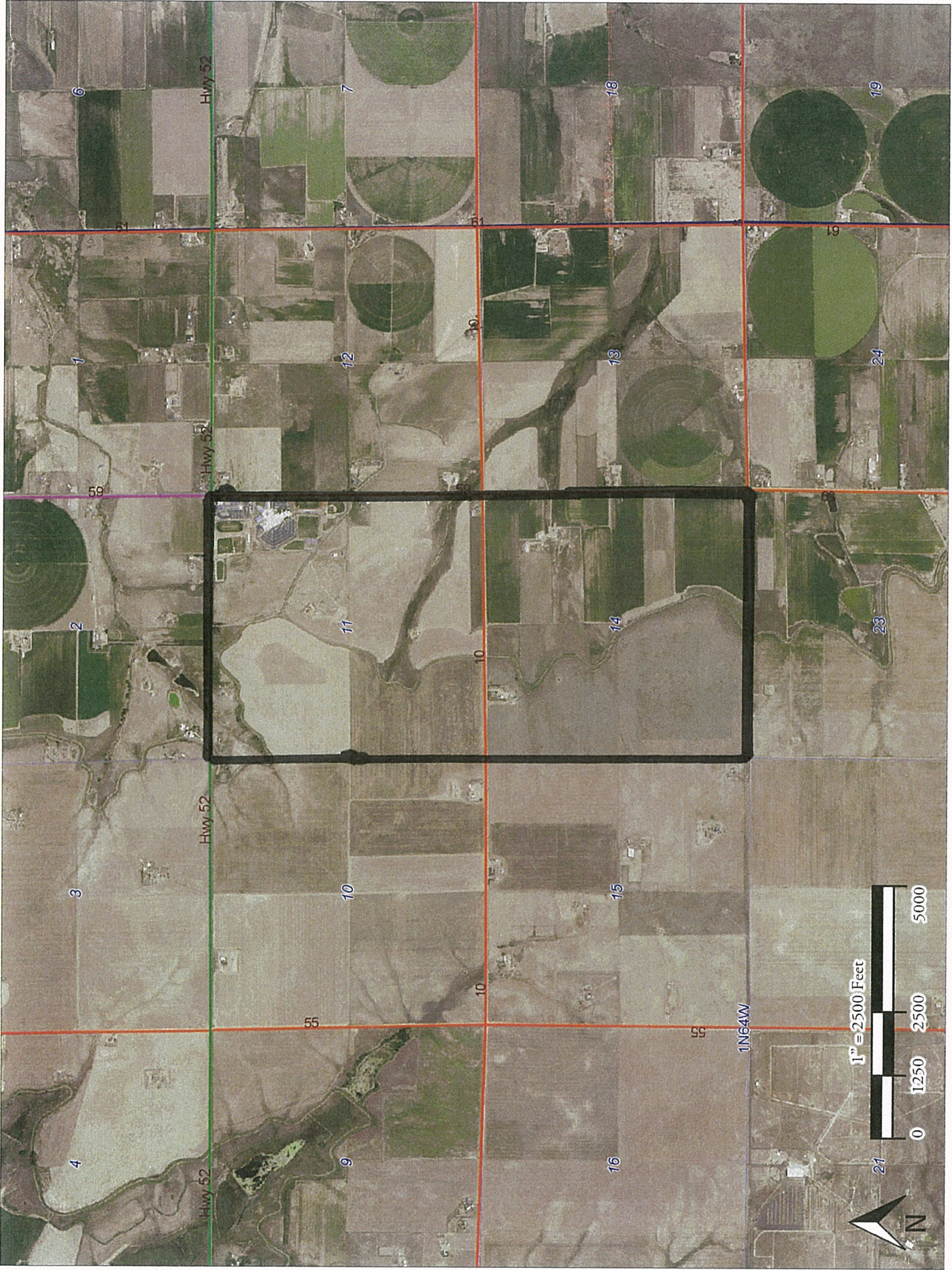
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EXHIBIT A

INTERESTED PARTIES

Anadarko Land Corporation
Linda Scheel

Exhibit B - Application Lands



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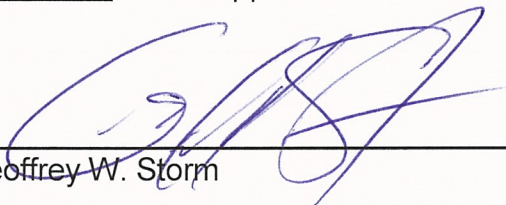
Type: SPACING

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:

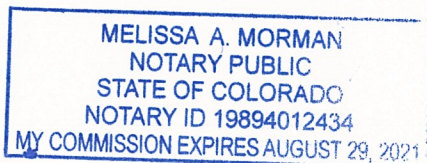
That I am the attorney for Verdad Resources LLC and that on or before September 6, 2018, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties on the Exhibit A to the Application.

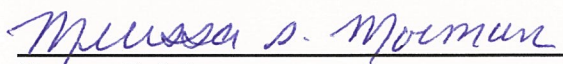


Geoffrey W. Storm

Subscribed and sworn to before me September 19, 2018

Witness my hand and official seal.





Notary Public
My commission expires: 8/29/2021