

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

IN THE MATTER OF THE PROMULGATION)	CAUSE NO.
AND ESTABLISHMENT OF FIELD RULES)	
TO GOVERN OPERATIONS FOR THE)	DOCKET NO.
NIOBRARA, FORT HAYS, CODELL, AND)	
CARLILE FORMATIONS, UNNAMED FIELD,)	TYPE: SPACING
WELD COUNTY, COLORADO)	

APPLICATION

Verdad Resources LLC (Operator No. 10651) (“Verdad” or “Applicant”), by and through its attorneys Burns, Figa & Will, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission”) for an order to amend Order No. 535-472 insofar as it covers the Application Lands (defined below) to: (1) include the Codell, Fort Hays, and Carlile Formations in the previously established approximate 640-acre drilling and spacing unit comprised of the Application Lands; (2) approve the development of the previously approved sixteen (16) horizontal wells for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations on the Application Lands; (3) approve the drilling of the sixteen (16) horizontal wells from a maximum of three (3) well pads on the Application Lands or on adjacent lands with the consent of the landowner, unless an exception is granted by the Director; (4) amend Order No. 535-472 insofar as it covers the Application Lands to approve an intrawell distance of no closer than 150 feet from the productive interval of any other wellbore producing from the Niobrara Formation or the Codell Formation; and (5) establish 100-foot setbacks the exterior boundaries of the unit:

Township 9 North, Range 59 West, 6th P.M.
Section 5: All

Referred herein as the “Application Lands.” A reference map depicting the Application Lands is attached hereto and marked as Exhibit A.

In support of its Application, Verdad states and alleges as follows:

1. Verdad is a corporation duly authorized to do business in Colorado and is a registered Operator in good standing with the Commission.
2. Verdad is an Owner with the right to drill into and produce from the Application Lands.
3. On September 19, 2011, the Commission entered Order No. 535-75, which, among other things, established four approximate 640-acre drilling and spacing units consisting of Sections 2, 4, 5, and 6, Township 9 North, Range 59 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, and

approved up to four horizontal wells within each unit, with the permitted well locations being no closer than 600 feet from each unit's boundaries, without exception being granted by the Director.

4. On December 16, 2013, the Commission entered Order No. 535-442, which, among other things, pooled all interests within the approximate 640-acre drilling and spacing unit established by Order No. 535-75 for Section 5, Township 9 North, Range 59 West, 6th P.M., and subjected any non-consenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7).

5. On April 28, 2014, the Commission entered Order No. 535-472, which, among other things, approved up to sixteen horizontal wells within each approximate 640-acre drilling and spacing unit established by Order No. 535-75, including for Section 5, Township 9 North, Range 59 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the productive interval of the horizontal wellbore to be no closer than 200 feet from the productive interval of any other wellbore producing from the Niobrara Formation, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the productive interval of the wellbore no closer than 100 feet from unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to owners of adjacent or cornering lands the right to locate the productive interval of the wellbore no closer than 100 feet from a unit boundary than the productive interval of the wellbore shall be located no closer than the distance permitted in adjacent or cornering lands.

6. According to COGIS records, the Application Lands contain the Wildhorse #05-0514H Well (API No. 05-123-35011), which is currently producing and operated by Whiting Oil & Gas Corporation. Verdad requests that the Commission maintain production and payments from the Wildhorse #05-0514 Well under Order No. 535-472.

7. Verdad requests that the Commission amend Order No. 535-472 insofar as it covers the Application Lands to include the Codell, Fort Hays, and Carlile Formations. The previously established approximate 640-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the previously approved wells. The Fort Hays and Carlile Formations are not target formations and are included in the previously established drilling and spacing unit to cover any deviations in drilling to the target Niobrara and Codell Formations.

8. Verdad requests that the Commission amend Order No. 535-472 insofar as it covers the Application Lands to approve the development of up to sixteen (16) horizontal wells in previously established approximate 640-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the target Niobrara and Codell Formations. The wells will be stacked by formation to comply with the minimum distances from the outer boundaries of the proposed drilling and spacing unit and from any other well producing from the Niobrara, Fort Hays, Codell, and Carlile Formations.

9. Verdad requests that the Commission amend Order No. 535-472 insofar as it covers the Application Lands to approve an intrawell distance of no closer than 150 feet from the productive interval of any other wellbore producing from the Niobrara Formation or the Codell Formation.

10. Verdad requests that the Commission establish 100-foot setbacks from the exterior boundaries of the unit.

11. Verdad states that any permitted wells will be drilled in a south-north orientation.

12. Verdad requests that the Commission amend Order No. 535-472 insofar as it covers the Application Lands to allow the development of the previously approved sixteen (16) horizontal wells from a maximum of three (3) well pads. The wells will be drilled from surface locations described in Rule 318 or on other lands with consent of the landowner, without exception being granted by the Director. The wells will be stacked by formation to comply with the minimum distances from the outer boundaries of the proposed drilling and spacing unit and from any other well producing from the Codell and Niobrara Formations.

13. The granting of this Application is in accordance with the Oil and Gas Conservation Act, C.R.S. § 34-60-101 et seq., and the Commission Rules.

14. Verdad requests that the relief granted under this Application be effective upon oral order of the Commission, and Verdad hereby agrees to be bound by such oral order.

15. The undersigned certifies that copies of this Application will be served on each interested party listed in Exhibit B (attached hereto) at least thirty-five (35) days in advance of any Commission hearing at which the matter will first be heard, pursuant to Rule 507.

WHEREFORE, Verdad respectfully requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that the Commission enter an Order to amend Order No. 535-472 to:

- A. Include the Codell, Fort Hayes, and Carlile Formations in the approximate 640-acre drilling and spacing unit previously established for the Application Lands;
- B. Approve the development of the previously approved sixteen (16) horizontal wells for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations on the Application Lands;

- C. Approve the drilling of the sixteen (16) horizontal wells from a maximum of three (3) well pads within the Application Lands or on adjacent lands with the consent of the landowner, unless an exception is granted by the Director;
- D. Approve an intrawell distance of no closer than 150 feet from the productive interval of any other wellbore producing from the Niobrara Formation or the Codell Formation; and
- E. Establish 100-foot setbacks from the exterior boundaries of the unit.

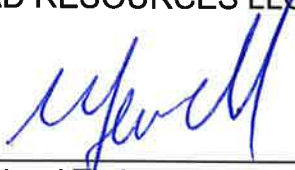
[SIGNATURE PAGE FOLLOWS]

DATED this 12th day of September, 2018.

Respectfully submitted,

VERDAD RESOURCES LLC

By: _____


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

Verdad Resources LLC
Lemar Safi, Landman
5950 Cedar Springs Road, Suite 200
Dallas, TX 75235-6803

Exhibit A

Reference Map of Application Lands



Exhibit B

Interested Parties List
Spacing Application

Township 9 North, Range 59 West, 6th P.M.
Section 5: All

Verdad Resources LLC	Weld County Department of Planning Services
Colorado Parks and Wildlife	Colorado Department of Public Health & Environment
Whiting Oil and Gas Corporation	Okreek Oil and Gas LLC
Noble Energy WYCO, LLC	Haimo Oil & Gas, LLC
OIL India (USA) Inc.	IOCL (USA) Inc.
U.S. Bureau of Land Management	

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OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION) CAUSE NO.
AND ESTABLISHMENT OF FIELD RULES)
TO GOVERN OPERATIONS FOR THE) DOCKET NO. 181200884
NIOBRARA, FORT HAYS, CODELL, AND)
CARLILE FORMATIONS, UNNAMED FIELD,) TYPE: SPACING
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 September 17, 2018, she caused a copy of the Application submitted to COGCC on September 12, 2018, to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.

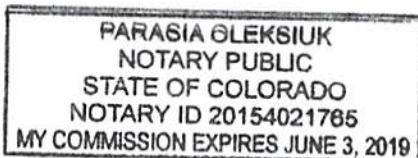
By: Courtney M. Shephard
Courtney M. Shephard, Esq.
License #47668

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 17th day of September, 2018

My commission expires: 6-3-2019.



[Signature]