

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 AND CODELL FORMATIONS,)	
WATTENBERG FIELD, WELD COUNTY,)	TYPE: SPACING
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 (the “Commission”) for an order to establish an approximate 640-acre drilling and spacing unit for the Application Lands for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, and approve up to eight (8) horizontal wells drilled from a maximum of two (2) well pads for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations on the following described lands:

Township 1 North, Range 65 West, 6th P.M.
Section 3: W½
Section 10: W½

Weld County, Colorado (containing approximately 640 acres)

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

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 April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. Sections 3 and 10 of Township 1 North, Range 65 West, 6th P.M., are subject to this rule for the Niobrara and Codell Formations.
4. On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) 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 Sections 3 and 10 of Township 1 North, 6th P.M., with the permitted well locations in accordance with the provisions of Order No. 407-1.

5. Verdad excludes from this Application all existing vertical and directional wells located on the Application Lands, to the extent they are still producing, and asserts that the production and payments from the existing vertical and directional wells should be maintained under the authority of all applicable Commission rules and orders.

6. Verdad requests that the Commission approve the development of up to eight (8) horizontal wells in the proposed approximate 640-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations. The proposed wells will be drilled from surface locations described in Rule 318A or on other lands with consent of the landowner, unless an exception is 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.

7. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbores shall be no less than 460 feet from the unit boundaries and the interwell setbacks shall be no less than 150 feet from the treated interval of any other well producing from the Niobrara and Codell Formations, unless an exception is granted by the Director.

8. The proposed wells shall be drilled from a maximum of two (2) well pads located within the approximate 640-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

9. 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.

10. 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.

11. The names of the interested parties, according to Verdad's information and belief, are set forth in the attached Exhibit A, and the undersigned certifies that copies of this Application will be served on each interested party 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:

- A. Establish an approximate 640-acre drilling and spacing unit for the Application Lands and approve eight (8) horizontal wells in the proposed unit, for production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations;
- B. Require the productive interval of the wellbore of any permitted wells in the unit to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit; and
- C. Provide that the wells shall be drilled a maximum of two (2) well pads within the unit subject to Rule 318A. or on adjacent lands, unless an exception is granted by the Director.

[SIGNATURE PAGE FOLLOWS]

DATED this 18th day of October, 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

VERIFICATION

STATE OF TEXAS)
)
COUNTY OF DALLAS) 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

Exhibit A

Interested Party List
Spacing Application

Township 1 North, Range 65 West, 6th P.M.
Section 3: W½
Section 10: W½

Verdad Resources LLC	Weld County
Colorado Parks and Wildlife	Town of Hudson
Colorado Department of Public Health & Environment	Kerr-McGee Oil & Gas Onshore LP
Crestone Peak Resources Holdings LLC	Mershon Family Wells, LLC
OOGC America, Inc.	Estate of H. L. Willett
Noble Energy, Inc.	State of Colorado Department of Transportation
Rodeo Mineral Partners II, LLC	Donald A. Truax

Exhibit B

Reference Map of Application Lands

