

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

IN THE MATTER OF THE PROMULGATION )	CAUSE NO.	407
AND ESTABLISHMENT OF FIELD RULES TO )		
GOVERN OPERATIONS FOR THE NIOBRARA )	DOCKET NO.	180100028
AND CODELL FORMATIONS, WATTENBERG )		
FIELD, WELD COUNTY, COLORADO )	TYPE:	SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 4 North, Range 62 West, 6<sup>th</sup> P.M.  
Section 23: All  
Section 24: All

APPLICATION

On November 15, 2017, Verdad Resources LLC (Operator No. 10651) ("Verdad" or "Applicant"), filed a verified application pursuant to C.R.S. § 34-60-116, for an Order to:

- 1) Vacate Order No. 407-659;
- 2) Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands and approve 16 horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations;
- 3) 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
- 4) Provide that the wells shall be drilled a maximum of two well pads within the unit subject to Rule 318A. or on adjacent lands, unless an exception is granted by the Director.

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well, and to commingle any or all of the Cretaceous Age formations from the base of the Dakota formation to the surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended,

among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara formations.

- On July 11, 2012, the Commission entered Order No. 407-659, which, among other things, established a 640-acre drilling and spacing unit for Township 4 North, Range 62 West, Section 24: All, for the production of oil, gas, and associated hydrocarbons from the Niobrara formation, and approved up to one horizontal well within the unit.

NOTICE IS HEREBY GIVEN, pursuant to C.R.S. §§ 34-60-101 to -130, and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Dates: January 29–30, 2018

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission  
The Chancery Building  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately three (3) days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509, no later than January 12, 2018.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings\_unit@state.co.us), one original and two copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of January 15, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** Pursuant to Rule 511, if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION OF  
THE STATE OF COLORADO

By   
Julie Spence Price, Secretary

Dated: December 18, 2017

Colorado Oil and Gas Conservation Commission  
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