

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 CODELL) DOCKET NO. 180300208
AND NIOBRARA FORMATIONS,)
WATTENBERG FIELD, WELD COUNTY,) TYPE: SPACING
COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 1 North, Range 65 West, 6th P.M

Sections 1: All

Section 12: All

APPLICATION

On January 18, 2018, Verdad Resources, LLC, Operator No. 10651 ("Verdad" or "Applicant") filed a verified amended application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Vacate order No. 407-831 and 407-1089;
- 2) Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations;
- 3) Authorize the drilling of up to 16 horizontal wells in the proposed unit; and,
- 4) Provide that any horizontal wells to be drilled in the unit will be drilled from no more than two multi-well pads on the surface of the drilling unit, or on adjacent lands.

APPLICABLE ORDERS AND RULES

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

- On or about 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.
- 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 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 certain aspects of this rule for horizontal wells drilled in the Niobrara and Codell Formations.

- On July 29, 2013, the Commission entered Order No. 407-831, which established two approximately 320-acre stand-up drilling and spacing units in Section 1, Township 1 North, Range 65 West, 6th P.M., and approved up to six horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation. The Application Lands are subject to this Order. No horizontal wells have been drilled pursuant to Order No. 407-831.
- On July 28, 2014, the Commission entered Order No. 407-1089, which pooled all interests in a designated Rule 318A horizontal wellbore spacing unit, consisting of the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 1, and the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 2, Township 1 North, Range 65 West, 6th P.M. for the development and production of the Niobrara Formation, and authorized cost-recovery pursuant to Section 34-60-116, C.R.S., out of the proportionate shares of all nonconsenting owners in the Taoka KF 01-021HN Well

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

Date: March 19-20, 2018
Time: 9:00 a.m.
Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 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 March 5, 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 March 5, 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 Prine, Secretary

Dated: February 5, 2018

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