

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 421
ESTABLISHMENT OF FIELD RULES TO)
GOVERN OPERATIONS FOR THE NIOBRARA,) DOCKET NO. 180600396
FORT HAYS, CODELL, AND CARLILE)
FORMATIONS, HEREFORD FIELD, WELD) TYPE: SPACING
COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 11 North, Range 62 West, 6th P.M.

Section 24: All

Section 25: All

APPLICATION

On March 23, 2018, Verdad Resources, LLC, Operator No. 10651 ("Verdad" or "Applicant"), filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Vacate Order Nos. 421-3, 535-280, and 535-289 as to the Application Lands;
- 2) Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands, and approve a total of up to 15 horizontal wells within the unit for the drilling of wells and producing oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations;
- 3) Require that the treated interval of any well be no closer than 150 feet from the treated interval of any other wellbore producing from the Niobrara, Fort Hays, Codell, and Carlile Formations, and no closer than 600 feet from a unit boundary, unless an exception is granted by the Director; and
- 4) Require that the wells will be drilled from no more than four multi-well pads within the unit, or from legal locations on adjacent lands.

APPLICABLE ORDERS AND RULES

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

- Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any

other producible or drilling oil or gas well when drilling to the same common source of supply. The Application Lands are subject to this Rule.

- On October 21, 2010, the Commission entered Order No. 421-3, which established 83 approximate 640-acre drilling and spacing units for lands in Townships 10, 11, and 12 North, Ranges 62, 63, and 64 West, 6th P.M., and approved one horizontal well within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the horizontal leg of the well being no closer than 600 feet from the unit boundary, without exception being granted by the Director. The Application Lands are subject to this Order for the Niobrara Formation.
- On March 25, 2013, the Commission entered Order No. 535-280, which approved a total of up to six horizontal wells within each of four approximate 640-acre drilling and spacing units established by Order No. 421-3, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbores to be located no closer than 600 feet from the unit boundaries, and no closer than 600 feet from the treated interval of any other wellbore located within the unit, without exception being granted by the Director. Section 25 of the Application Lands is subject to this Order for the Niobrara Formation.
- On March 25, 2013, the Commission entered Order No. 535-289, which pooled all interests in four approximate 640-acre drilling and spacing units established for certain lands in Weld County, Colorado, and approved cost recovery pursuant to Section 34-60-116(7), C.R.S., against the nonconsenting owners in the Timbro Ranch 6-41-9-59 Well, the Ohare 5-21-10-57 Well, the Jones 19-11-10-59 Well, and the Shutt 1-25-11-62 Well, for the development and operation of the Niobrara Formation. Section 25 of the Application Lands is subject to this Order for the Niobrara Formation.

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: June 11-12, 2018

Time: 9:00 a.m.

Place: Lindou Auditorium
Michener Library
University of Northern Colorado (UNC)
501 20th Street
Greeley, Colorado 80639

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 May 25, 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 May 28, 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: May 4, 2018

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

Attorneys for Applicant:
Joseph C. Pierzchala
Geoffrey W. Storm
Welborn Sullivan Meck & Tooley, P.C.
1125 17th Street, Suite 2200
Denver, CO 80202
(303) 830-2500
jpierzchala@wsmtlaw.com
gstorm@wsmtlaw.com