

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

IN THE MATTER OF THE PROMULGATION AND	)	CAUSE NO. 535
ESTABLISHMENT OF FIELD RULES TO	)	
GOVERN OPERATIONS FOR THE NIOBRARA,	)	DOCKET NO. 180600425
FORT HAYS, CODELL, AND CARLILE	)	
FORMATIONS, UNNAMED FIELD, WELD	)	TYPE: SPACING
COUNTY, COLORADO	)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 9 North, Range 59 West, 6th P.M.  
Section 3: All

Township 10 North, Range 59 West, 6th P.M.  
Section 34: All

APPLICATION

On April 12, 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) Continue Order Nos. 535-345, 535-417, 535-676, and 535-677 only as to the operation and production of the Timbro Ranch 2-3-9-59 Well (API No. 05-123-40454), the Timbro Ranch 1-3-9-59 Well (API No. 05-123-40455), the Timbro Ranch 1-34-10-59 Well (API No. 05-123-40527), and the Timbro Ranch 2-34-10-59 Well (API No. 05-123-40525);
- 2) Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands, and approving to drill and complete 1 horizontal well within the proposed unit, with the option to drill and complete up to a total of 12 new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations, with the treated intervals of any horizontal well permitted under this Application located not less than 600 feet from unit boundaries and not less than 150 feet from the treated interval of a wellbore producing within the unit, unless an exception is granted by the Director; and
- 3) Require that the wells will be drilled from no more than four surface locations within the unit, or on adjacent lands, unless an exception is granted by the Director.

## APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "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 June 17, 2013, the Commission entered Order No. 535-345, which established an approximate 640-acre drilling and spacing unit for Section 3, Township 9 North, Range 59 West, 6th P.M., and approved up to thirteen (13) horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with internal wellbores offset by 300 feet and unit boundary setbacks of 600 feet, without exception being granted by the Director. Section 3 of the Application Lands is subject to this order for the Niobrara Formation.
- On September 16, 2013, the Commission entered Order No. 535-417, which established four approximate 640-acre drilling and spacing units for certain lands in Township 10 North, Range 59 West, 6th P.M., and approved up to sixteen (16) horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of each wellbore no closer than 200 feet from the treated 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 treated interval of the wellbore no closer than 100 feet from a unit boundary. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, then the treated interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands, without exception being granted by the Director. Section 34 of the Application Lands is subject to this order for the Niobrara Formation.
- On July 20, 2015, the Commission entered Order No. 535-676, which pooled all interests in an approximate 640-acre drilling and spacing unit established by Order No. 535-417 for Section 10, Township 10 North, Range 59 West, 6th P.M., and granted cost-recovery pursuant to Section 34-60-116(7), C.R.S. against any nonconsenting owners in the Timbro Ranch 1-34-10-59 Well (API No. 05-123-40527) and Timbro Ranch 2-34-10-59 Well (API No. 05-123-40525), effective as of the earlier or the date of the Application, or the date that any costs specified for the above described wells are first incurred, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. Section 34 of the Application Lands is subject to this order for the Niobrara Formation.
- On July 20, 2015, the Commission entered Order No. 535-677, which pooled all interests in an approximate 640-acre drilling and spacing unit established by Order No. 535-345 for Section 3, Township 9 North, Range 59 West, 6th P.M., and granted cost-recovery pursuant to Section 34-60-116(7), C.R.S. against any nonconsenting owners in the Timbro Ranch 1-3-9-59 Well (API No. 05-123-40455) and Timbro Ranch 2-3-9-59 Well (API No. 05-123-40454), effective as of the earlier or the date of the Application, or the date that

any costs specified for the above described wells are first incurred, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. Section 3 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 St.  
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

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