

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA AND CODELL) DOCKET NO. 180700562
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: POOLING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 2 North, Range 64 West, 6th P.M.

Section 25: All

Section 36: All

APPLICATION

On May 31, 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) Pool all interests in an approximate 1,280-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
- 2) Subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., were first incurred for the drilling of the Helen 24-3H Well (API No. 05-123-46822), and the Helen 24-4H Well (API No. 05-123-46830).

APPLICABLE ORDERS AND RULES

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

- On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended on August 8, 2011 to, among other things, address the drilling of horizontal wells. Rule 318A allow for overlapping horizontal wellbore spacing units, and requires that a horizontal wellbore spacing unit must include any governmental quarter-quarter section that is located less than 460' from the completed interval of the horizontal wellbore lateral. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area.
- On February 19, 1992, amended August 20, 1993, the Commission entered Order No. 407-87, which established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell-Niobrara Formation, the Codell Formation, and the

Niobrara Formation underlying certain lands including the Application Lands, with permitted well locations in accordance with the provisions of Order No. 407-1.

- On April 30, 2018, the Commission entered Order No. 407-2427, which approved Verdad's application for an order to establish an approximate 1,280-acre drilling and spacing unit for Section 25 and 36, Township 2 North, Range 64 West, 6th P.M., and to approve 16 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, with well location rules requiring the productive interval of any wellbore permitted within the unit to be located no closer than 460 feet from the unit boundary, and no closer than 150 feet from the productive interval of any other wellbore located within the unit.

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: July 30 - August 1, 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 July 16, 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 July 16, 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: June 20, 2018

Colorado Oil and Gas Conservation Commission
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