

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, FORT HAYS, ) DOCKET NO. 180900643  
CODELL, AND CARLILE FORMATIONS, UNNAMED )  
FIELD, WELD COUNTY, COLORADO ) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 8 North, Range 61 West, 6th P.M.

Section 11: All

Section 14: All

APPLICATION

On June 28, 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) Modify an approximate 640-acre pooled drilling and spacing unit for Section 11, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., to be specific to the Vawter 1-11-41-8-61 Well, and to disallow any future wells from being drilled on the unit.
- 2) Modify an approximate 640-acre drilling and spacing unit for Section 14, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., to be specific to the WCR100 Group 14-11-8-61 Well, and to disallow any future wells from being drilled on the unit.
- 3) Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands, for production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations.
- 4) Approve the drilling of up to 16 horizontal wells within the unit.
- 5) Require that the treated interval of any well be no closer than 165 feet from the treated interval of any other wellbore producing from the same common source of supply within the unit, and no closer than 300 feet from the unit boundary, without exception being granted by the Director.
- 6) Require that the wells will be drilled and operated from no more than three 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.
- On February 22, 2011, the Commission entered Order No. 535-3, which established 160 approximate 640-acre drilling and spacing units for certain lands in Townships 8, 9, and 10, North, Ranges 58, 59, 60, 61, and 62 West, 6<sup>th</sup> P.M., and approved one horizontal well in each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- On October 31, 2011, the Commission entered Order No. 535-92, which established two approximate 640-acre drilling and spacing units for Section 14, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and Section 15, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and approved up to two horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- On December 12, 2011, the Commission entered Order No. 535-106, which pooled all interests in an approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 11, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and granted cost recovery pursuant to Section 34-60-116(7), C.R.S., against any nonconsenting owners in the well drilled on the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- On November 15, 2012, the Commission entered Order No. 535-215, which approved up to two horizontal wells within each of two approximate 640-acre drilling and spacing units established by Order No. 535-3, one covering Section 11, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On January 7, 2013, the Commission entered Order No. 535-238, which approved up to six horizontal wells within each of ten approximate 640-acre drilling and spacing units, one covering Section 14, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara.
- On January 7, 2013, the Commission entered Order No. 535-239, which approved up to six horizontal wells within each of eight approximate 640-acre drilling and spacing units, one covering Section 11, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from 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: September 17-18, 2018  
Time: 9:00 a.m.  
Place: Garfield County Sheriff's Annex - Rifle  
106 County Road 333-A  
Rifle, Colorado 81650

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 August 31, 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 September 3, 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: August 8, 2018

Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, Colorado 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](mailto:jpierzchala@wsmtlaw.com)  
[gstorm@wsmtlaw.com](mailto:gstorm@wsmtlaw.com)