

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. 180900659
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 60 West, 6<sup>th</sup> P.M.  
Section 14: All

APPLICATION

On July 11, 2018, amended first on August 7, 2018, and again on August 8, 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 drilling and spacing unit for the Application Lands, with fourteen total wells within the unit, to include the Fort Hays, Codell, and Carlile Formations and to establish well location rules such that the treated interval of each wellbore within the unit shall be located no closer than 300 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located within the unit, unless an exception is granted by the Director.
- 2) Applicant states that the wells will be drilled and operated from no more than two surface locations within the unit or from legal locations on adjacent lands, without exception 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 September 19, 2011, the Commission entered Order No. 535-69, which established 40 approximate 640-acre drilling and spacing units for certain lands in Townships 7, 8, and 9 North, Ranges 58, 59, 60, and 61 West, 6<sup>th</sup> P.M., and approved two horizontal wells in each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be located no closer than 600 feet

from the unit boundaries, without exception being granted by the Director.

- On July 29, 2013, the Commission entered Order No. 535-367, which approved up to thirteen horizontal wells within an approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 14, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the horizontal wellbores to be no closer than 600 feet from the unit boundaries, and no closer than 300 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.
- On July 29, 2013, the Commission entered Order No. 535-391, which pooled all interests in an approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 14, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., and approved cost-recovery against any nonconsenting owners in the Schneider 2-14-8-60 Well, for the development and operation of the Niobrara Formation, effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. §34-60-116(7)(b)(II) are first incurred for the drilling of the Schneider 2-14-8-60 Well.
- On January 27, 2014, the Commission entered Order No. 535-457, which approved one additional horizontal well within an approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 14, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., for a total of up to 14 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the horizontal wellbores to be located no closer than 300 feet from the productive interval of any other wellbore producing from the Niobrara Formation, and no closer than 300 feet from the exterior boundaries of the unit, except along the east and west section lines of Section 14, Township 8 North, Range 60 West, 6<sup>th</sup> P.M. which shall be no closer than 600 feet from the exterior unit boundary, with a further exception allowing for corresponding reciprocal setbacks of 300 feet along the eastern section line of Section 14, Township 8 North, Range 60 West, 6<sup>th</sup> P.M. upon application and approval of 300 foot boundary setbacks by the Commission for the western boundary of Section 13, Township 8 North, Range 60 West, 6<sup>th</sup> P.M. and corresponding reciprocal setbacks of 300 feet along the western section line of Section 14, Township 8 North, Range 60 West, 6<sup>th</sup> P.M. upon application and approval of 300 foot boundary setbacks by the Commission for the eastern section line of Section 15, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., without exception being granted by the Director. Order No. 535-457 further provided that the Wells shall be located on no more than one wellpad per quarter section within the drilling and spacing 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:

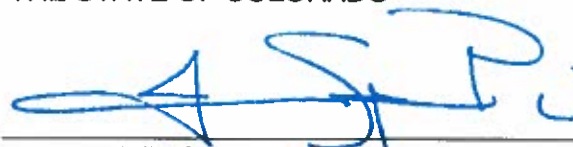
Date: September 17-18, 2018  
Time: 9:00 a.m.  
Place: Garfield County Sheriff's Annex - Rifle  
106 County Road 333-A  
Rifle, Colorado 81650

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 13, 2018

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