

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. 180900662  
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, 6<sup>th</sup> P.M.  
Section 26: All

APPLICATION

On July 17, 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 an approximate 960-acre drilling and spacing unit established by Order No. 535-528;
- 2) Establish an approximate 640-acre drilling and spacing unit for the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations;
- 3) Approve up to 16 horizontal wells within the unit with 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; and
- 4) Require the wells within the unit to be drilled and operated from up to three surface locations, 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 August 12, 2010, the Commission entered Order No. 535-1, which established four approximate 640-acre drilling and spacing units for certain lands in Townships 8 and 9 North, Ranges 60, 61, and 62 West, 6<sup>th</sup> P.M., and approved up to two horizontal wells in

each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the initial formation penetration, lateral leg, and terminus (bottomhole location) of the permitted wells within the unit to be located no closer than 600 feet from the unit boundaries and the initial formation penetration, lateral leg, and terminus (bottomhole location) of the second permitted well no closer than 1,200 feet from the first well.

- 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 established for certain lands in Townships 7, 8, and 9 North, Ranges 58, 60, 61, and 62 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 wellbore 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 in the unit, without exception being granted by the Director.
- On September 15, 2014, the Commission entered Order No. 535-528, which, among other things, vacated an approximate 640-acre drilling and spacing unit established by Order No. 535-1 for Section 26, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., vacated Order No. 535-238 as it applied to Section 26, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and established an approximate 960-acre drilling and spacing unit for all of Section 26 and the N½ of Section 35, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and approved a total of up to 16 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbore located no closer than 300 feet from the unit boundaries, and no closer than 300 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director. Applicant further agreed to maintain payment of the Orlando Hill 26-44-8-61 Well on a 640-acre basis.

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)