

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) DOCKET NO. 181000735
AND CODELL FORMATIONS, WATTENBERG)
FIELD, WELD COUNTY, COLORADO) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 1 North, Range 65 West, 6th P.M.

Section 25: All

Section 36: All

APPLICATION

On August 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) Vacate an approximate 1,600-acre drilling and spacing unit established by Order No. 407-2226 for the S½ of Section 36, Township 1 North, Range 65 West, 6th P.M., and Sections 1 and 12, Township 1 South, Range 65 West, 6th P.M.;

2) Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands, and approve up to 16 horizontal wells within the unit, with the treated interval of each wellbore located no closer than 150 feet from the treated interval of any other wellbore producing from the Niobrara and/or Codell Formations, and no closer than 460 feet from the unit boundary, without exception being granted by the Director; and

3) Require that the wells be drilled and operated from three 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")

- On April 27, 1998, 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 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 wellbore lateral. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

- On October 30, 2017, the Commission entered Order No. 407-2226, which established an approximate 1,600-acre drilling and spacing unit for the S½ of Section 36, Township 1 North, Range 65 West, 6th P.M., and Sections 1 and 12, Township 1 South, Range 65 West, 6th P.M., and approved up to 16 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations, with the productive interval of the permitted wells within the unit located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, unless the Director grants an exception. Section 36 of the Application Lands is subject to this order.

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: October 29-30, 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 three 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 October 15, 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 October 15, 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: September 24, 2018

Colorado Oil and Gas Conservation Commission
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