

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. 181000835  
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 9 North, Range 61 West, 6<sup>th</sup> P.M.  
Section 36: All

APPLICATION

On August 30, 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 established by Order No. 535-1 for the Application Lands 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) Require that the wells be drilled and operated from no more than 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")

- 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, among other things, established four approximate 640-acre drilling and spacing units, and approved up to two horizontal wells within each unit, 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, for

the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the horizontal wellbore to be 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.

- On June 17, 2013, the Commission entered Order No. 535-341 which, among other things, approved up to thirteen horizontal wells within an approximate 640-acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the horizontal wellbore 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.
- On January 27, 2014, the Commission entered Order no. 535-455, which approved two additional wells within an approximate 640-acre drilling and spacing unit for Section 36, Township 9 North, Range 61 West, 6<sup>th</sup> P.M., for a total of up to fifteen horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbores within the unit 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 eastern section line of Section 36, Township 9 North, Range 61 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 36, Township 9 North, Range 61 West, 6<sup>th</sup> P.M. upon application and approval of 300 foot boundary setbacks by the Commission for the western section line of Section 31, Township 9 North, Range 60 West, 6<sup>th</sup> P.M., without exception being granted by the Director.

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 Sperce Frine, Secretary

Dated: September 24, 2018

Colorado Oil and Gas Conservation Commission  
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