

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. 181000837
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 7 North, Range 60 West, 6th P.M.
Section 29: All
Section 32: 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) Vacate an approximate 640-acre drilling and spacing unit established by Order No. 535-41 and pooled by Order No. 535-107 for Section 29, Township 7 North, Range 60 West, 6th P.M.
- 2) Vacate an approximate 640-acre drilling and spacing unit established by Order No. 535-163 and pooled by Order No. 535-334 for Section 32, Township 7 North, Range 60 West, 6th P.M.
- 3) Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands, and approve a total of up to 16 additional horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations, with the treated interval of any well within the unit located no closer than 300 feet from the unit boundary, and no closer than 150 feet from the treated interval of any other wellbore producing from the same common source of supply within the unit, without exception being granted by the Director.
- 4) 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 June 27, 2011, the Commission entered Order No. 535-41, which established nine approximate 640-acre drilling and spacing units for certain lands in Township 7 North, Range 60 West, 6th 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 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 December 12, 2011, the Commission entered Order No. 535-107, which pooled all interests in an approximate 640-acre drilling and spacing unit established by Order No. 535-41 for Section 29, Township 7 North, Range 60 West, 6th P.M., and granted cost recovery pursuant to Section 34-60-116(7), C.R.S., against any nonconsenting owners in the Niobrara well drilled on the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- On May 29, 2012, the Commission entered Order No. 535-163, which, among other things, established an approximate 640-acre drilling and spacing unit for Section 32, Township 7 North, Range 60 West, 6th P.M., and approved up to four horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any horizontal well to be no closer than 460 feet from the boundaries of the unit, without exception being granted by the Director.
- On May 6, 2013, the Commission entered Order No. 535-334, which pooled all interests in an approximate 640-acre drilling and spacing unit established by Order No. 535-163 for Section 32, Township 7 North, Range 60 West, 6th P.M., and granted cost recovery pursuant to Section 34-60-116(7), C.R.S., against any nonconsenting owners in the Kuhn 32-1H Well, 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: 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

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