

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION AND ESTABLISHMENT OF FIELD RULES TO GOVERN OPERATIONS FOR THE NIOBRARA, FORT HAYS, CODELL, AND CARLILE FORMATIONS, UNNAMED FIELD, WELD COUNTY, COLORADO	)	CAUSE NO. 535
	)	
	)	DOCKET NO. 181000841
	)	
	)	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 31: All

Township 7 North, Range 61 West, 6<sup>th</sup> P.M.  
Section 6: 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 1,280-acre drilling and spacing unit for the Application Lands to include the Fort Hays, Codell and Carlile Formations, and to approve a total of up to 16 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.

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.

3) The Staudinger 1-31H Well, (API No. 05-123-34161), originally drilled on the approximate 1,280-acre drilling and spacing unit established by Order No. 535-51, shall continue to be governed, and proceeds distributed, according to Order No. 535-132, which pooled the approximate 1,280-acre drilling and spacing unit covering the Application Lands.

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 8, 2011, the Commission entered Order No. 535-51, which, among other things, established four approximate 1,280-acre drilling and spacing units for certain lands in Townships 7, 8, and 9 North, Ranges 60, 61, and 62 West, 6th P.M., and approved one horizontal well within 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 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 through 61 West, 6th P.M., and approved two horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore for the permitted wells to be no closer than 600 feet from the unit boundaries, without exception being granted by the Director.
- On January 23, 2012, the Commission entered Order No. 535-132 which pooled all interests in an approximate 1280-acre drilling and spacing unit consisting of Section 6, Township 7 North, Range 61 West, 6<sup>th</sup> P.M., and Section 31, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and granted cost recovery pursuant to Section 34-60-116(7)(b), C.R.S. against any nonconsenting owners in the first horizontal well drilled within the unit, for the development and operation of the Niobrara Formation.
- On June 17, 2014, the Commission entered Order No. 535-491 which approved up to 15 horizontal wells within an approximate 1,280-acre drilling and spacing unit established by Order No. 535-51 for Section 6, Township 7 North, Range 61 West, 6<sup>th</sup> P.M., and Section 31, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbore to be located no closer than 600 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director.
- On June 17, 2014, the Commission entered Order No. 535-502 which pooled all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established for the Section 6, Township 7 North, Range 61 West, 6<sup>th</sup> P.M., and Section 31, Township 8 North, Range 61 West, 6<sup>th</sup> P.M. by Order No. 535-51, for the drilling of the Baldon 6-1H Well and the development and operation of the Niobrara Formation.
- On September 15, 2014, the Commission entered Order No. 407-1120, which pooled all interests, in an approximate 1,280-acre drilling and spacing unit established for the Section 6, Township 7 North, Range 61 West, 6<sup>th</sup> P.M., and Section 31, Township 8 North, Range 61 West, 6<sup>th</sup> P.M. by Order No. 535-51, for the drilling of the Baldon 31-1H Well and Baldon 31-2H Well and the development and operation of the Niobrara Formation.
- On October 27, 2014, the Commission entered Order No. 535-554, which vacated an approximate 640-acre drilling and spacing unit established by Order No. 535-69 for Section 31, Township 8 North, Range 61 West, 6th P.M., or the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

- On October 27, 2014, the Commission entered Order NO. 535-556, which modified Order Nos. 535-51 and 535-491 as they applied to a 1,280-acre drilling and spacing unit covering the application lands, such to allow the productive interval of the wellbore to be located no closer than 300 feet from the unit boundaries, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, 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 Spence Pline, Secretary

Dated: September 20, 2018

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