

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. 181200884
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 59 West, 6th P.M.
Section 5: All

APPLICATION

On September 12, 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 amend Order No. 535-472 insofar as it covers the Application Lands to:

- 1) Include the Codell, Fort Hayes, and Carlile Formations in the approximate 640-acre drilling and spacing unit previously established for the Application Lands;
- 2) Approve the development of the previously approved sixteen horizontal wells for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations on the Application Lands;
- 3) Approve the drilling of the sixteen horizontal wells from a maximum of three well pads within the Application Lands or on adjacent lands with the consent of the landowner, unless an exception is granted by the Director;
- 4) Require that the productive interval of any wellbore permitted under this Application be located not less than 150 feet from the productive interval of any other well producing within the same unit;
- 5) Require that the productive interval of any wellbore permitted under this Application be located not less than 100 feet from the exterior boundaries of the unit; and
- 6) Provide that any permitted wells will be drilled in a south-north orientation.

APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- On September 19, 2011, the Commission entered Order No. 535-75, which, among other things, established four approximate 640-acre drilling and spacing units consisting of Sections 2, 4, 5, and 6, Township 9 North, Range 59 West, 6th P.M., for the production of

oil, gas, and associated hydrocarbons from the Niobrara Formation, and approved up to four horizontal wells within each unit, with the permitted well locations being no closer than 600 feet from each unit's boundaries, without exception being granted by the Director.

- On December 16, 2013, the Commission entered Order No. 535-442, which, among other things, pooled all interests within the approximate 640-acre drilling and spacing unit established by Order No. 535-75 for Section 5, Township 9 North, Range 59 West, 6th P.M., and subjected any non-consenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7).
- On April 28, 2014, the Commission entered Order No. 535-472, which, among other things, approved up to sixteen horizontal wells within each approximate 640-acre drilling and spacing unit established by Order No. 535-75, including for Section 5, Township 9 North, Range 59 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the productive interval of the horizontal wellbore to be no closer than 200 feet from the productive interval of any other wellbore producing from the Niobrara Formation, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the productive interval of the wellbore no closer than 100 feet from unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to owners of adjacent or cornering lands the right to locate the productive interval of the wellbore no closer than 100 feet from a unit boundary than the productive interval of the wellbore shall be located no closer than the distance permitted in adjacent or cornering lands.

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: December 17-18, 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 December 3, 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 December 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: November 7, 2018

Colorado Oil and Gas Conservation Commission
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