



**VIA EFORMS**

Director Julie Murphy  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

April 16, 2018

RE: Application for Permit to Drill - Proposed Wellbore Spacing Unit  
Confluence DJ LLC  
**Desha 4-15-1**  
**Document Number: 401609034**  
SHL: 635' FSL 450' FWL (SW/4 SW/4)  
Sec. 33 T1N R65W  
LP: 470' FNL 0' FWL (NW/4 NW/4)  
BHL: 470' FSL 0' FWL (SW/4 SW/4)  
Sec. 4 T1S R65W  
Weld County, Colorado  
Surface Ownership: Fee  
Mineral Lease: Fee

Dear Director Murphy:

Confluence DJ LLC (Confluence) intends to permit, drill and operate the above referenced Niobrara formation Horizontal Well. As defined by Colorado Oil and Gas Conservation Commission (COGCC) Rule 318A.a.(4)D., Confluence proposes the following wellbore spacing unit:

**Description of the Wellbore Orientation and Wellbore Spacing Unit:** The proposed horizontal wellbore paths will run north to south. The Proposed Spacing Unit is as follows:

Well Name	Proposed Spacing Unit	Acreage
Desha 4-15-1	T1S R65W Sec. 4: W2W2 T1S R65W Sec. 5: E2E2	±320

Confluence sent Verdad Resources LLC the Notice of Horizontal Well Proposal for the above referenced well on March 22, 2018 via Certified Mail. Enclosed in this certification is the waiver signed by Verdad Resources LLC, waiving the 30 day notice and option to be protest.

Confluence requests the Director approve the proposed wellbore spacing unit.

Please send a copy of all correspondence to Upstream Petroleum Management, Inc. at 7000 S. Yosemite St., Suite 290B, Englewood, CO 80112. Please contact me at 303-942-0506 or at [agross@upstreampm.com](mailto:agross@upstreampm.com) if you have any questions.

Sincerely,

Andrea J. Gross  
Permit Agent for Confluence DJ LLC

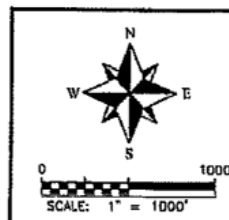
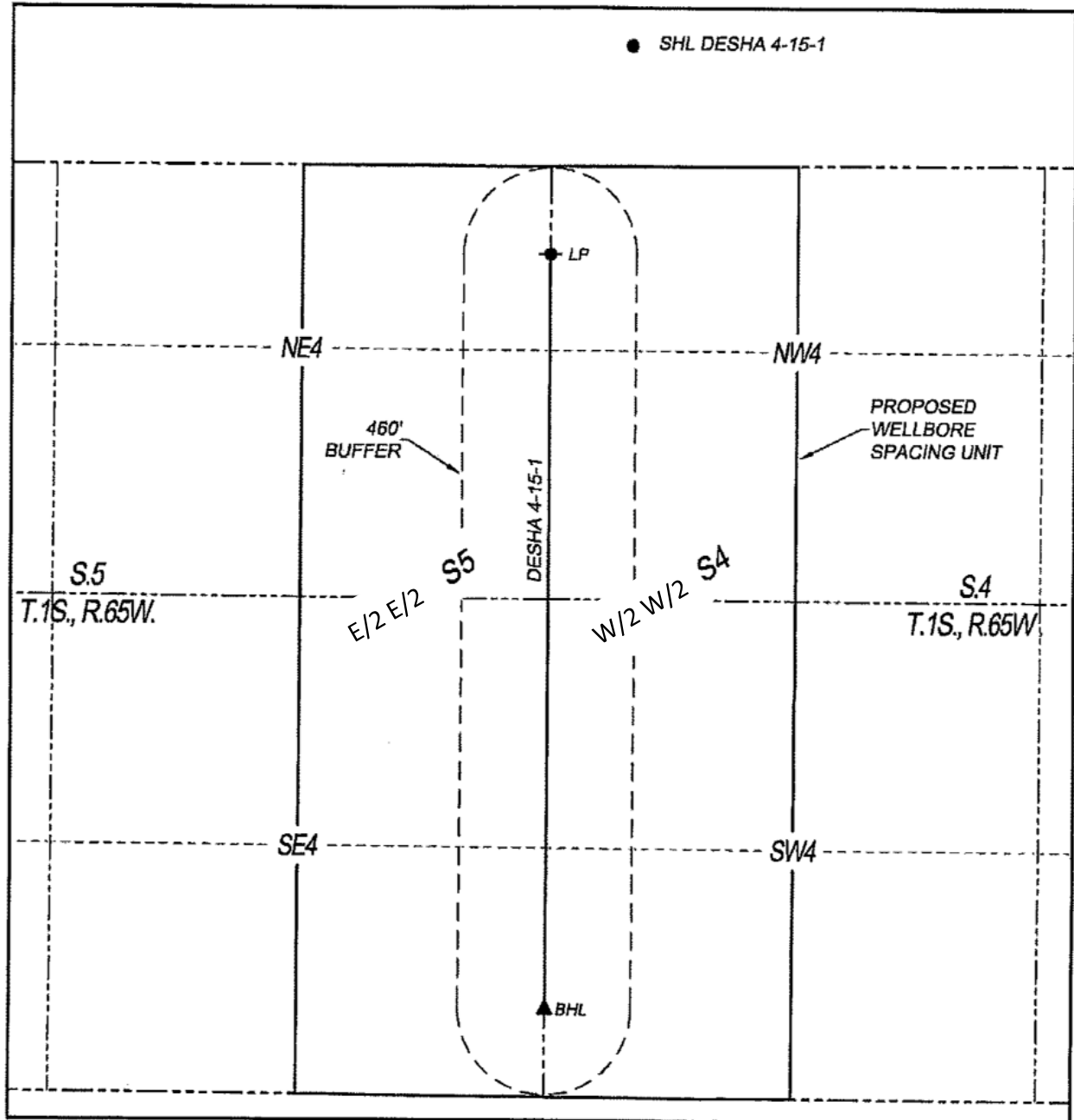
**Your Assets / Our Expertise**

- Regulatory
- Storm-water Management Plans
- Project Coordination
- Permitting
- Government Relations
- EA/EIS Assistance

FREEDOM WELL PAD  
PROPOSED 318A.e. SPACING UNIT

W/2W/2 OF SECTION 4 AND THE E/2E/2 OF SECTION 5  
TOWNSHIP 1 SOUTH, RANGE 65 WEST OF THE 6TH P.M.

● SHL DESHA 4-15-1





March 22, 2018

Certified Mail- Article # 9414 7118 9956 0925 2815 86

Verdad Resources LLC  
5950 Cedar Springs Road, Suite 200  
Dallas, TX 75235  
Attn: Rick Rowe

RE: Notice of Horizontal Well Proposal  
Proposed Well Name: Desha 4-15-1

Dear Working Interest Owner:

Confluence DJ, LLC ("Confluence") intends to file an Application for Permit to Drill with Colorado Oil and Gas Conservation Commission ("COGCC") for the referenced well. Pursuant to Rule 318A.e.(5), Confluence hereby gives Notice. Attached for your information is a plat representing this proposal.

Additional information for this well:

- 1) **Surface Location:**  
SHL: 635' FSL and 450' FWL, Section 33, T1N, R65W, 6<sup>th</sup> P.M.
- 2) **Productive Interval:**  
Top of Producing Zone: 470' FNL, 0' FWL, Section 4, T1S, R65W, 6<sup>th</sup> P.M.  
Bottom Hole: 470' FSL, 0' FWL, Section 4, T1S, R65W, 6<sup>th</sup> P.M.
- 3) **Target Formation:**  
This well will be drilled to a total depth to sufficiently test the Niobrara formation.
- 4) **Wellbore Spacing Unit:**  
Township 1 South, Range 65 West 6<sup>th</sup> P.M.  
Section 4: W/2W/2  
Section 5: E/2E/2
- 5) **Anticipated Spud Date:**  
3<sup>rd</sup> Quarter, 2018
- 6) **Request for Title Information:**  
In order to facilitate the rendering of a full title opinion, please provide Confluence copies of any title opinions, title material and pay decks in your possession that relate to the referenced spacing unit.

Confluence's preliminary title reflects that you or your company owns a working interest in the aforementioned spacing unit. Pursuant to COGCC Rule 318A.e.(5), you have thirty days from the date of your receipt of this Notice to object in writing to the permitting of the subject well. If you have no objection with the proposed well location and corresponding spacing unit, please sign in the space provided below and return the enclosed.

Thank you for your timely consideration and response to this proposal. Please do not hesitate to contact me at 303-226-9506.

Very truly yours,  
**Confluence DJ, LLC**

  
Angela Mallon  
Regional Land Manager

Enclosures

Pursuant to Rule 318A.e(5), of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Confluence DJ, LLC ("Confluence") of its intentions to drill and operate the **Desha 4-15-1** well and the undersigned hereby waives the thirty (30) day notice requirement as provided by said rule.

**Verdad Resources LLC**

By:  \_\_\_\_\_

Printed Name: Philip W. Davis

Title: EVP

Date: 4/3/2018