

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

IN THE MATTER OF THE APPLICATION)
OF RENEGADE OIL & GAS COMPANY,)
LLC FOR AN ORDER VACATING A 320-)
ACRE WELLBORE SPACING UNIT,)
ESTABLISHING ONE 640-ACRE DRILLING)
AND SPACING UNIT, AND ESTABLISHING)
EXISTING WELL LOCATION RULES)
APPLICABLE TO THE DRILLING AND)
PRODUCING OF WELLS FROM THE)
CODELL AND NIOBRARA FORMATIONS)
COVERING CERTAIN LANDS IN)
TOWNSHIP 1 NORTH, RANGE 65 WEST,)
WELD COUNTY, COLORADO.)

Cause No. _____

Docket No. 150500330

TYPE: SPACING

APPLICATION

Renegade Oil & Gas Company, LLC ("Renegade" or "Applicant"), Operator No. 74165, by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order vacating a 320-acre wellbore spacing unit, establishing one 640-acre drilling and spacing unit, and establishing well location rules applicable to the drilling of wells and producing of oil, gas and associated hydrocarbon substances from the Codell and Niobrara Formations covering certain lands in Weld County, Colorado. In support of its Application, Applicant states as follows:

1. Applicant owns mineral and leasehold interests in the following lands ("Application Lands"):

Township 1 North, Range 65 West, 6th P.M.
Section 28: All

A reference map of the Application Lands showing Renegade's interests is attached hereto.

2. Rule 318.a. provides that a well drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. The Application Lands are subject to this Rule for the Codell Formation and the W½ of Section 28, Township 1 North, Range 65 West, 6th P.M. is subject to this Rule for the Niobrara Formation.

3. On August 8, 2011, the Commission adopted Rule 318A, which, among other things established spacing units of wells drilled to any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A.a.(4). provides that, when completing a well in the Greater Wattenberg Area to an unspaced formation, the operator shall designate a drilling and spacing unit not smaller than a governmental quarter-quarter section if such well is proposed to be located greater than 460 feet from the quarter-quarter section boundary in which it is located. If a well is proposed to be located less than 460 feet from the governmental quarter-quarter section boundary, a wellbore spacing unit for such well shall be comprised of the governmental quarter-quarter sections located less than 460 feet from the wellbore regardless of section or quarter section lines. Pursuant to Rule 318A.I, Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area wells.

4. The Application Lands are located within the area governed by the Greater Wattenberg Area Special Well Location Rule, Rule 318A. The Application Lands are presently unspaced with respect to the Codell Formation, which is a common source of supply underlying said lands. The W $\frac{1}{2}$ of Section 28, Township 1 North, Range 65 West, 6th P.M. is presently unspaced with respect to the Niobrara Formation, which is a common source of supply underlying said lands.

5. On October 31, 2014, and pursuant to Rule 318A, the Director approved a 320-acre wellbore spacing unit covering the E $\frac{1}{2}$ of Section 28, Township 1 North, Range 65 West, 6th P.M. for the Young 01N-65W-28-8N well (API# 05-123-40511) for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. COGCC Doc. #400695700. Pursuant to Rule 318A, the terminus of the well is 460 feet from the unit boundary.

6. The Young 01N-65W-28-8N well was spud on November 29, 2014. In addition to the Young 01N-65W-28-8N well, six other wells have been permitted in the E $\frac{1}{2}$ of Section 28: (1) the Young 01N-65W-28-1C well (API# 05-123-40508); (2) the Young 01N-65W-28-2N well (API# 05-123-40509); (3) the Young 01N-65W-28-3N well (API# 05-123-40512); (4) the Young 01N-65W-28-6N well (API #05-123-40506); (5) the Young 01N-65W-28-7N (API# 05-123-40507); and (6) the Young 01N-65W-28-9C well (API# 05-123-40515). Collectively the "Young Wells."

7. To promote efficient drainage within the Codell and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should vacate the 320-acre wellbore spacing unit covering the E $\frac{1}{2}$ of Section 28 and establish one drilling and spacing unit consisting of approximately 640 acres covering the Application Lands.

8. The above-proposed drilling and spacing unit will allow for efficient drainage of the Codell and Niobrara Formations, will prevent waste, will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Codell and Niobrara Formations. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing

unit. Applicant further maintains that wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

9. Applicant requests that the order authorize, in addition to the seven aforementioned Young Wells, the drilling and completion of seventeen (17) horizontal wells in the Codell and/or Niobrara Formations, for a total of twenty-four (24) horizontal wells in the 640-acre drilling and spacing unit. The Applicant states the proposed horizontal wells shall be located on no more than four drilling pads within the designated drilling and spacing unit, or at a legal location on the surface anywhere with the unit, and the initial perforation of the Codell and/or Niobrara Formations will occur within the unit. Applicant further states that the treated interval of each well shall be located no closer than 460 feet from the boundaries of the drilling and spacing unit (consistent with the existing Young 01N-65W-28-8N well) and no closer than 300 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.

10. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Niobrara and Codell Formations, prevents waste, does not adversely affect correlative rights, and assures the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Niobrara and Codell Formations. Applicant further maintains that wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

11. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.e, 507.b(1), and 507b.(5).

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this 19th day of March, 2015

Respectfully submitted,
WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

Joseph C. Pierzchala
Chelsey J. Russell
Welborn Sullivan Meck & Tooley, P.C.
Attorney for Applicant
1125 - 17th Street, Suite 2200
Denver, CO 80202
303-830-2500

Applicant's Address:

6155 South Main Street, Suite 210

Aurora, CO 80016

303-680-4725

VERIFICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE

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) ss.
)

J.B. Condill, Chief Financial Officer and Vice President of Land for Renegade Oil & Gas Company, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

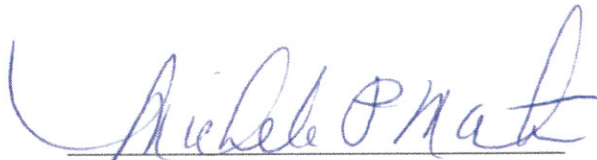
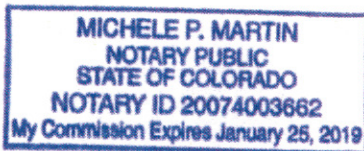
RENEGADE OIL & GAS COMPANY, LLC



J.B. Condill, Chief Financial Officer and Vice
President of Land

Subscribed and sworn to before me this 19 day of March, 2015 by J.B. Condill, Chief Financial Officer and Vice President of Land for Renegade Oil & Gas Company, LLC.

Witness my hand and official seal.



Notary Public

My Commission Expires: Jan 25, 2019

EXHIBIT A

INTERESTED PARTIES

Verdad Oil & Gas Corporation
5950 Cedar Springs Road, Suite 200
Dallas, TX 75235

OOGC America LLC
9805 Katy Freeway, Suite 500
Houston, TX 77024

The Farmers Reservoir and Irrigation Company
80 South 27th Avenue
Brighton, CO 80601

Renegade Oil & Gas Company, LLC
6155 South Main Street, Suite 210
Aurora, CO 80016

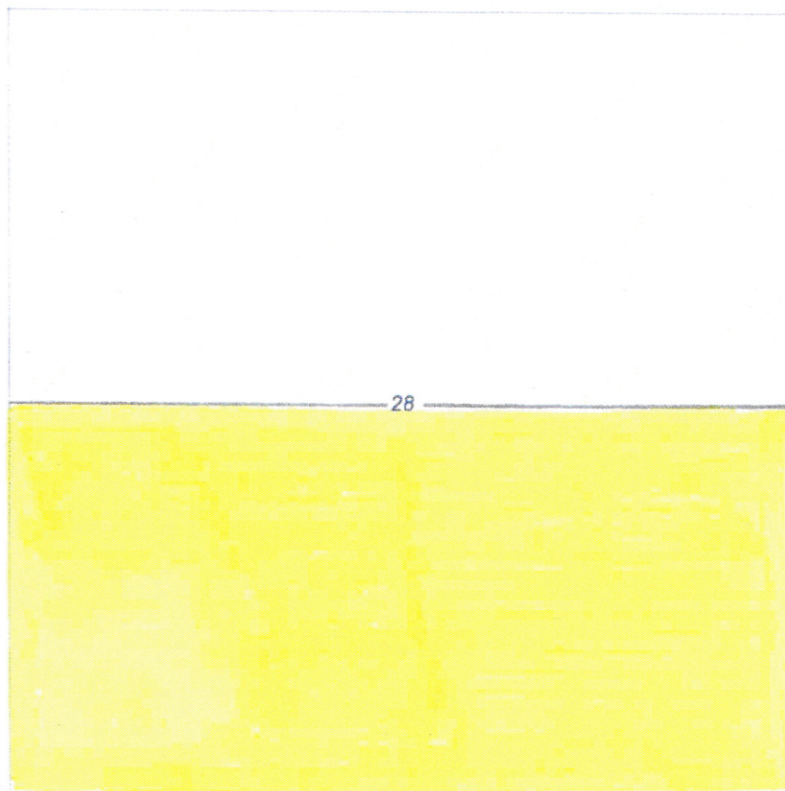
Anadarko Petroleum Corporation
1099 18th Street, Suite 1800
Denver, CO 80202

Mr. Troy Swain
Weld County Department of Planning Services
1555 North 17th Avenue
Greeley, CO 80631

Mr. Kent Kuster
Oil & Gas Consultant Coordinator
CDPHE
4300 Cherry Creek Drive South
Denver, CO 80246-1500

Mr. Tom Schreiner
Northeast Region Office
Energy Liaison – Colorado Parks and Wildlife
6060 Broadway
Denver, CO 80216

Map of Application Lands
and
Renegade Leasehold & Mineral Interests
All of Section 28, T1N, R65W, Weld County



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ONE 640-ACRE DRILLING AND SPACING)
UNIT, AND ESTABLISHING EXISTING WELL)
LOCATION RULES APPLICABLE TO THE)
DRILLING AND PRODUCING OF WELLS FROM)
THE CODELL AND NIOBRARA FORMATIONS)
COVERING CERTAIN LANDS IN TOWNSHIP 1)
NORTH, RANGE 65 WEST, WELD COUNTY,)
COLORADO.)

Cause No. ____

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Type: SPACING

AFFIDAVIT OF MAILING

STATE OF COLORADO §
§
CITY AND COUNTY OF DENVER §

I, Joseph C. Pierzchala, of lawful age, and being first duly sworn upon my oath, state and declare:

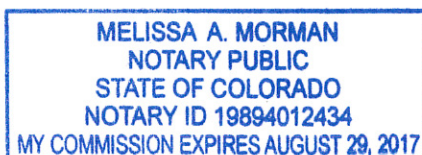
That I am the attorney for Renegade Oil & Gas Company, LLC and that on or before March 23, 2015, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

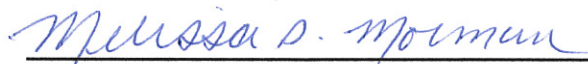


Joseph C. Pierzchala

Subscribed and sworn to before me March 24, 2015

Witness my hand and official seal.





Notary Public
My commission expires: 8/29/2017

REVISED EXHIBIT A

INTERESTED PARTIES

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5950 Cedar Springs Road, Suite 200
Dallas, TX 75235

OOGC America LLC
9805 Katy Freeway, Suite 500
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Attention: Dan Wolcott
1099 18th Street, Suite 1800
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6060 Broadway
Denver, CO 80216

Kerr-McGee Oil & Gas Onshore LP
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Denver, CO 80202

Noble Energy, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202