

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

IN THE MATTER OF THE PROMULGATION ) CAUSE NO. 407  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS FOR THE NIOBRARA ) DOCKET NO. 150900553  
AND CODELL FORMATIONS, WATTENBERG )  
FIELD, WELD COUNTY, COLORADO ) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 5 North, Range 66 West, 6<sup>th</sup> P.M.  
Section 14: S½  
Section 23: All  
Section 26: N½

APPLICATION

On July 16, 2015, Synergy Resources Corporation (“Synergy” or “Applicant”) (Operator No. 10311) filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Establish an approximate 1280-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from horizontal wells to the Niobrara and Codell Formations;
- 2) Approve up to 18 horizontal wells within the unit;
- 3) Require the productive interval of the wellbore of any permitted wells to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in such unit; and
- 4) Applicant requests that the wells are to be drilled from no more than four well pads within the unit.

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under “ORDERS”)

- On December 19, 1983, the Commission entered order No. 407-1 (amended March 29 2000) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the unit to be designated by the operator drilling the first well in each quarter section. The Order provided that the permitted well shall be located in the center of either 40-acre tract within the unit, with a tolerance of 200 feet in any direction, and the operator shall have the option

to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit. The Application Lands are subject to this Order for the Codell Formation.

- On February 19, 1992, the Commission entered Order 407-87 (amended August 20, 1993), which, among other things, established 80-acre drilling and spacing units for production of oil, gas and assorted hydrocarbons from the Codell and Niobrara Formations, with the permitted well locations to be in accordance with Order No 407-1. The Application Lands are subject to this Order for the Codell and Niobrara Formations.
- On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. Township 5 North, Range 66 West of the 6<sup>th</sup> P.M., Section 14: N½, Section 23: All, and Section 26: S½ are subject to this Rule.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado under §34-60-105 C.R.S.; 2) specific powers granted pursuant to §34-60-106 C.R.S.; 3) the State Administrative Procedures Act at §24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2 CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, September 14, 2015  
Tuesday, September 15, 2015

Time: 9:00 a.m.

Place: Western State Colorado University  
University Center, South Ballroom  
600 North Adams Street  
Gunnison, Colorado 81231

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 August 31, 2015. 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 August 31, 2015. 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 Murphy, Secretary

Dated: August 5<sup>th</sup>, 2015

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