

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

| | | |
|-------------------------------------|---|----------------------|
| IN THE MATTER OF THE APPLICATION OF |) | Cause No. 535 |
| EDGE ENERGY II, LLC FOR AN ORDER |) | |
| VACATING ORDER NO. 535-7 AND |) | Docket No. 180300235 |
| ESTABLISHING AN APPROXIMATE 1,280- |) | |
| ACRE DRILLING AND SPACING UNIT AND |) | Type: SPACING |
| ESTABLISHING WELL LOCATION RULES |) | |
| APPLICABLE TO THE DRILLING AND |) | |
| PRODUCING OF WELLS FROM THE |) | |
| NIOBARRA, FORT HAYS, CODELL AND |) | |
| CARLILE FORMATIONS FOR CERTAIN |) | |
| LANDS IN TOWNSHIP 11 NORTH, RANGE |) | |
| 66 WEST, 6TH P.M., UNNAMED FIELD, |) | |
| WELD COUNTY, COLORADO. |) | |

APPLICATION

Edge Energy II, LLC, Operator No. 10671 (“Applicant” or “Edge”), 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 Order No. 535-7, only as it pertains to the Application Lands, and establishing an approximate 1,280-acre drilling and spacing unit and establishing well location rules applicable to the drilling of wells and producing of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations covering certain lands in Township 11 North, Range 66 West, 6th P.M., Weld County, Colorado. In support of its Application, Applicant states:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado and is a registered operator in good standing with the Commission.

2. Applicant owns leasehold interests in the following lands (“Application Lands”) and is therefore an owner as defined by Commission Rules and the Conservation Act with standing to bring this Application:

Township 11 North, Range 66 West, 6th P.M.
Section 25: All
Section 36: All

A reference map of the Application Lands is attached hereto.

3. 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. All of the Application Lands are subject to this Rule for the Codell Formation. Section 36, Township 11 North, Range 66 West, 6th P.M., is subject to this Rule for the Codell, Fort Hays, and Carlile Formations.

4. On April 4, 2011, the Commission issued Order No. 535-7 which established fifty-one (51) approximate 640-acre drilling and spacing units for certain lands located Townships 9 through 11 North, Ranges 64 through 67 West, 6th P.M., and allow one horizontal well in each of the units, for the production of gas and associated hydrocarbons from the Niobrara Formation. Section 25, Township 11 North, Range 66 West, 6th P.M. of the Application Lands is subject to this Order for the Niobrara Formation.

5. There are no existing horizontal wells within the Application Lands.

6. To promote efficient drainage within the Niobrara, Fort Hays, Codell and Carlile Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should vacate Order No. 535-7, only as it pertains to the Application Lands, and establish an approximate 1,280-acre drilling and spacing unit for the Application Lands and approve a total of up to twelve (12) horizontal wells within each unit.

7. Applicant requests that the productive interval of the permitted horizontal wells within the unit be located no closer than 150 from the productive interval of any other horizontal wellbore within the same unit producing oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations and be located no closer than 600 feet from the unit boundaries, without exception being granted by the Director.

8. Applicant requests the establishment of the above-proposed drilling and spacing unit and authority to drill only those wells necessary to determine the well density that will allow for efficient drainage of the Niobrara, Fort Hays, Codell and Carlile 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 Niobrara, Fort Hays, Codell and Carlile Formations. Applicant maintains that 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. The Applicant states the proposed horizontal wells will be drilled from no more than four locations within the unit or at a legal location(s) on adjacent lands, without exception being granted by the Director.

10. The proposed drilling and spacing unit contains Colorado State Board of Land Commissioners (State Land Board) leased and/or unleased minerals. A Communitization Agreement ("CA") with the State Land Board will be required for all wells drilled under the terms of this order. Applicant agrees to submit a CA prior to drilling operations for a well within the drilling and spacing unit.

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 **Amended** Application shall be served on each interested party within the next seven days as required by Rule 503.e and 507.b.(1).


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 18th day of January, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____


Joseph C. Pierzchala
Geoffrey W. Storm
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
1125 - 17th Street, Suite 2200
Denver, CO 80202
303-830-2500

Applicant's Address:

621 17th St., Ste. 1401
Denver, CO 80293
Attn: Erik Larsen; Ben Turner
Phone: 720-599-3650

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Erik Larsen with Edge Energy II, 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.

EDGE ENERGY II, LLC

Erik Larsen
Erik Larsen

Subscribed and sworn to before me this 19 day of January, 2018, by Erik Larsen for Edge Energy II, LLC.

Witness my hand and official seal.

MELISSA A. MORMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894012434
MY COMMISSION EXPIRES AUGUST 29, 2021

Melissa A. Morman
Notary Public
My Commission Expires: 8/29/2021

EXHIBIT A

INTERESTED PARTIES

Weld County Department of Planning Services

Troy Swain
1555 North 17th Avenue
Greeley CO 80631

Colorado Department of Public Health and Environment

Kent Kuster
4300 Cherry Creek Drive South
Denver, CO 80246-1500

Colorado Parks and Wildlife

Brandon Marette
Northeast Region Office
6060 Broadway
Denver, CO 80216

Secs. 25 and 36, T11N, R66W

30 Mile Ranch LLC

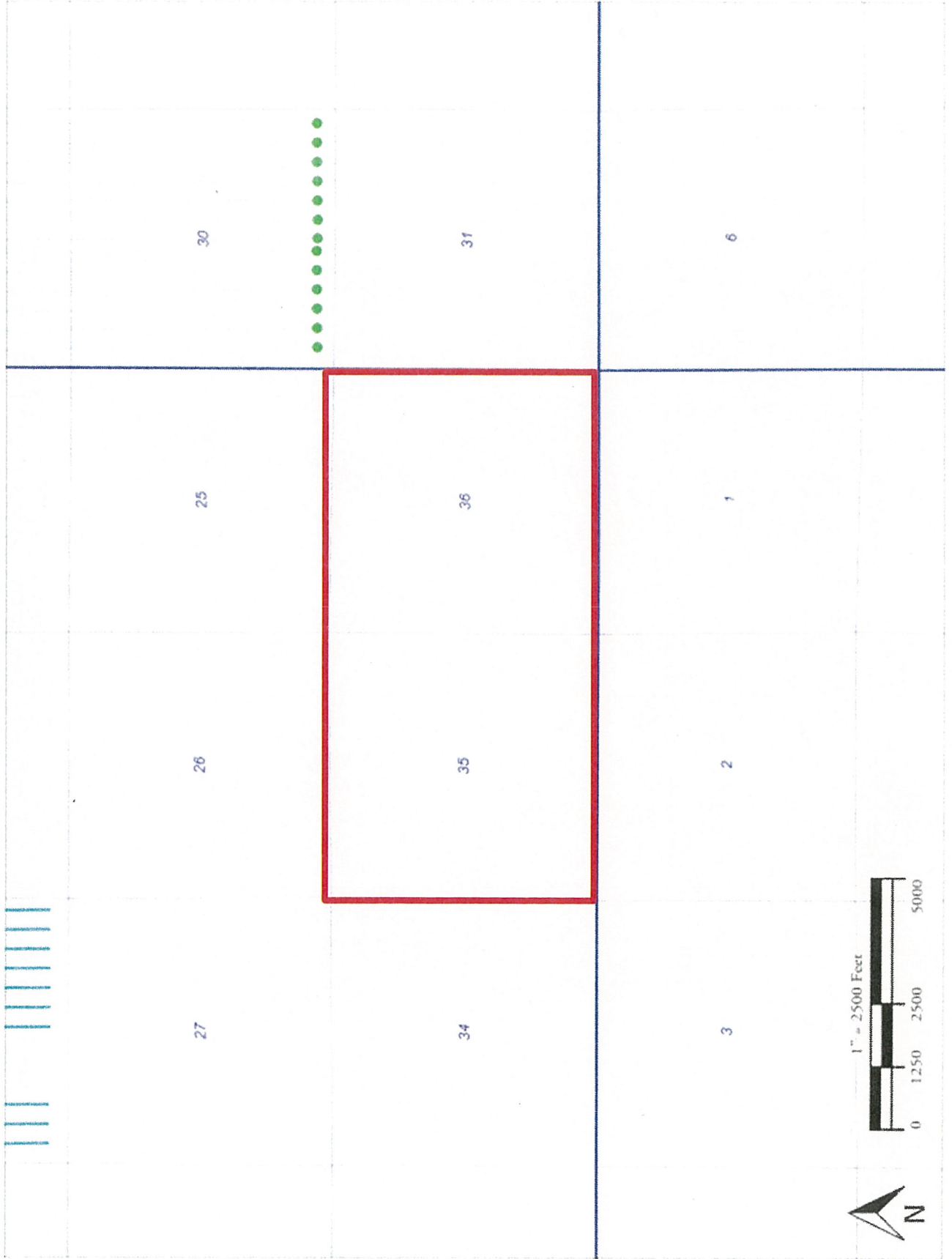
PO Box 528
Kersey, CO 80644

Board of Land Commissioners

Colorado State Land Board

1127 Sherman St.
Denver, CO 80203

MAP OF APPLICATION LANDS



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

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LANDS IN TOWNSHIP 11 NORTH, RANGE 66)
WEST, 6TH P.M., UNNAMED FIELD, WELD)
COUNTY, COLORADO.)

Cause No. 535
Docket No. 180300235
Type: SPACING

AFFIDAVIT OF MAILING

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

I, Geoffrey W. Storm, of lawful age, and being first duly sworn upon my oath, state and declare:

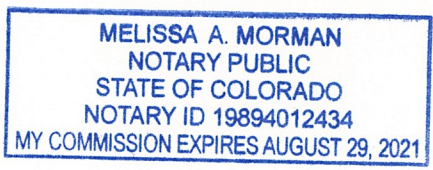
That I am the attorney for Edge Energy II, LLC and that on or before January 24, 2018, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties on the Exhibit A to the Application.

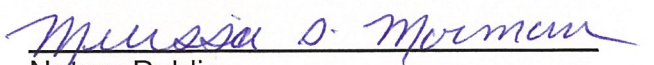


Geoffrey W. Storm

Subscribed and sworn to before me January 30, 2018.

Witness my hand and official seal.





Notary Public
My commission expires: 8/29/2021