

July 20, 2018

VIA HAND DELIVERY AND E-MAIL

(julie.prine@state.co.us)

Julie Spence Prine,
Hearings and Regulatory Affairs Manager
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80202

RE: Edge Energy II, LLC Expedited Request to Secretary Pursuant to Commission Rule 506.a. to File Application to Modify Existing Spacing Order for Well Location Setback for September 17-18, 2018 Hearing.

Dear Ms. Prine:

Edge Energy II, LLC ("Edge") respectfully submits, pursuant to Rule 506.a., this expedited request for acceptance of its Rule 503.b.(1) application to modify Commission Order No. 535-834 as to the well location setbacks in an established drilling and spacing unit. A copy of the application and draft notice of hearing are enclosed. Rule 506.a. requires that "[a]ll applications shall be filed no later than sixty (60) days in advance of the hearing date for which the applicant proposes the matter be docketed provided the docket has not been filled by the Secretary." The Rule further provides, however, that "[t]he Secretary shall have the discretion to accept applications later than sixty (60) days prior to the hearing date, subject to docket availability and the notice requirements of Rules 507 and 508." Pursuant to Rule 506.a., applications for the September 17-18, 2018 hearing were due not later than Thursday, July 19, 2018. Edge respectfully requests that Edge's application be accepted so that it may be heard at the September hearing.

On July 13, 2018, pursuant to Order No. 535-834,¹ Edge filed a Form 2A Oil and Gas Location Assessment for the Simpson 26 Pad, located in the NE¼SE¼ of Section 26, Township 8

¹ Order No. 535-834 established a 1,301.24-acre drilling and spacing unit for Section 30, Township 8 North, Range 65 West, 6th P.M., and Section 25, Township 8 North, Range 66 West, 6th P.M., and approved a total of up to twelve horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations with the productive interval of the wellbore of any permitted wells in the unit shall be located no closer than 150

North, Range 66 West, 6th P.M., pursuant to a surface use agreement (Doc. No. 401667378). Edge also filed twelve (12) Forms 2 Application for Permit to Drill horizontal wells within the unit established by Order No. 535-834 for the Simpson 25-30-1H well (Doc No. 401687559), Simpson 25-30-2H well (Doc No. 401687594), Simpson 25-30-3H well (Doc No. 401687667), Simpson 25-30-4H well (Doc No. 401687723), Simpson 25-30-5H well (Doc No. 401687735), Simpson 25-30-6H well (Doc No. 401687751), Simpson 25-30-7H well (Doc No. 401687774), Simpson 25-30-8H well (Doc No. 401687559), Simpson 25-30-9H well (Doc No. 401687856), Simpson 25-30-10H well (Doc No. 401687880), Simpson 25-30-11H well (Doc No. 401687905), and Simpson 25-30-12H well (Doc No. 401687926) (collectively, the "Simpson Wells").

Edge was recently informed by the Commission permitting staff that the Simpson Wells do not conform to the well location setbacks for the unit as established in Order No. 535-834. The governing order permits the productive interval of the authorized wellbores to be located no closer than 460 feet from the unit boundary. The Simpson Wells are proposed with the productive interval to be located at 300 feet from the unit boundary. Accordingly, modification of the unit setbacks is required in order for the Simpson Wells to be approved and allow for the most efficient drainage of the Niobrara, Fort Hays, Codell, and Carlile Formations, prevent waste, not adversely affect correlative rights, and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations. Edge was unable to comply with the July 19, 2018 filing deadline because it was uncertain of how to proceed and still discussing its options of correcting or re-filing the pending permits to conform the existing well location setbacks or filing an application to modify Order No. 535-834. After consultation with COGCC permitting staff late on July 19, 2018, it was determined that the proper course of action for approval of the Simpson wells, and to ensure the most efficient and ultimate recovery of hydrocarbon resources as well as preventing waste and protecting correlative rights, was to file an application to modify the well location setbacks. By then, however, the filing deadline had passed.

Pursuant to Rule 503.e., applications must be mailed to the persons entitled to notice within seven days after the application is filed with the Commission. For applications filed on July 19, 2018, for the September 2018 hearing, the mailing deadline is July 26, 2018. Pursuant to Rule 507.a., notice of hearing for such applications must be sent no later than August 13, 2018. Rule 508 does not apply because the application would not result in more than one well site or multi-well site per 40-acre quarter-quarter section.

feet from the productive interval of any other wellbore located in the unit, and no closer than 460 feet from the unit boundaries, unless the Director grants an exception.

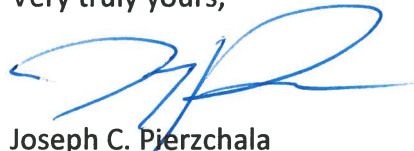
Edge is prepared to file its application today, July 20, 2018, one day after the July 19, 2018 filing deadline, or as soon thereafter as the Secretary grants the request. Acceptance of the Edge application for the September docket is necessary so that the Simpson Wells may be timely approved by the permitting staff to allow for Edge to plan its operations and rig schedule for Q4 of 2018 and 2019. Accepting the Edge application pursuant to Rule 506.a. for the September 17-18, 2018 hearing will not prejudice any party as Edge can still comply with Rules 503.e. and 507.a., and mail the application not later than next Thursday, July 26, 2018, and send notice on or before August 13, 2018. In addition, all interested parties will still have the same period of time in which to file a protest on or before August 31, 2017. Therefore, no interested party will be deprived of due process or proper notice and opportunity to be heard and the acceptance of the application will violate the spirit of the Conservation Act or Commission Rules.

Without the Secretary's acceptance of the application for the September hearing, Edge's Simpson Wells will cannot be approved until after the October 29-30, 2018 hearing, leaving little time for Commission staff to issue an order and permitting staff to approve the wells so that Edge can plan and prepare its operations for Q4 of 2018 and 2019. If the Secretary accpts the application, all parties will still timely receive the application, timely receive notice of hearing, and have been afforded the full time and opportunity to file a protest.

REQUESTED RELIEF

Pursuant to Rule 506.a., Edge respectfully requests that the Secretary allow Edge to file its application on July 20, 2018, or as soon thereafter as the Secretary allows pursuant to this request, in order to modify the well location setbacks in the drilling and spacing unit established in Order No. 535-834 to accommodate the Simpson Wells. Thank you for your prompt attention to and consideration of this matter.

Very truly yours,



Joseph C. Pierzchala

Attorneys for Edge Energy II, LLC

Enclosures: (2)

cc: Email only to:

Julie Murphy, Director (julie.murphy@state.co.us)

Erik Larsen, Landman, Edge Energy II, LLC (elarsen@edgeenergy1.com)

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)	
MODIFYING ORDER NO. 535-834 ONLY AS)	DOCKET NO. 180900703
TO WELL LOCATION RULES APPLICABLE)	
TO THE DRILLING AND PRODUCING OF)	TYPE: WELL LOCATION
WELLS FROM THE NIOBRARA, FORT HAYS,)	SETBACKS
CODELL AND CARLILE FORMATIONS FOR)	
CERTAIN LANDS IN TOWNSHIP 8 NORTH,)	
RANGES 65 AND 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 modifying Order No. 535-834 only as to the well location rules established therein applicable to the drilling of horizontal wells for producing oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations covering certain lands in Township 8 North, Ranges 65 and 66 West, 6th P.M., Weld County, Colorado. In support of its Application, Applicant states as follows:

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 an Owner as defined by Commission Rules and the Conservation Act with standing to bring this Application:

Township 8 North, Range 65 West, 6th P.M.
Section 30: All

Township 8 North, Range 66 West, 6th P.M.
Section 25: 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.

4. On July 24, 2017, the Commission entered Order No. 535-834 which established an approximate 1,301.24-acre drilling and spacing unit for Section 30, Township 8 North, Range 65 West, 6th P.M., and Section 25, Township 8 North, Range 66 West, 6th P.M., and approved a total of up to twelve horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations with the productive interval of the wellbore of any permitted wells in the unit shall be located no closer than 150 feet from the productive interval of any other wellbore located in the unit, and no closer than 460 feet from the unit boundaries, unless the Director grants an exception. The Application Lands are subject to this Order for the Niobrara, Fort Hays, Codell, and Carlile Formations.

5. On July 13, 2018, pursuant to Order No. 535-834, Applicant filed:

- a. One Form 2A Oil and Gas Location Assessment for the Simpson 26 Pad, located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26, Township 8 North, Range 66 West, 6th P.M., pursuant to a surface use agreement (Doc. No. 401667378); and
- b. Twelve (12) Forms 2 Application for Permit to Drill horizontal wells within the Application Lands for the Simpson 25-30-1H well (Doc No. 401687559), Simpson 25-30-2H well (Doc No. 401687594), Simpson 25-30-3H well (Doc No. 401687667), Simpson 25-30-4H well (Doc No. 401687723), Simpson 25-30-5H well (Doc No. 401687735), Simpson 25-30-6H well (Doc No. 401687751), Simpson 25-30-7H well (Doc No. 401687774), Simpson 25-30-8H well (Doc No. 401687559), Simpson 25-30-9H well (Doc No. 401687856), Simpson 25-30-10H well (Doc No. 401687880), Simpson 25-30-11H well (Doc No. 401687905), and Simpson 25-30-12H well (Doc No. 401687926) (collectively, the "Simpson Wells").

6. To promote efficient drainage of the Niobrara, Fort Hays, Codell and Carlile Formations of the Application Lands, to protect correlative rights, and to avoid waste, Applicant requests that the Commission enter an order modifying the 460 foot unit boundary setback established in Order No. 535-834 to allow the productive interval of each authorized horizontal well within the unit to be located no closer than 300 feet from the unit boundary, but maintain the setback between the productive interval of the authorized wellbores at 150 feet, unless an exception is granted by the Director.

7. Applicant's request to modify the unit boundary setback will allow for the approval of the Simpson Wells and promote the most efficient drainage of the Niobrara, Fort Hays, Codell, and Carlile Formations, prevent waste, not adversely affect correlative rights, and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations.

8. 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 seven (7) days after filing of the Application as required by Rules 503.e. and 507.b.(1), (4).

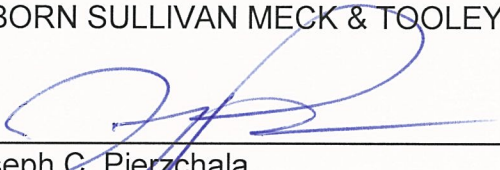
WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this 20th day of July, 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:
Edge Energy II, LLC
1301 Washington Ave., Ste. 300
Golden, CO 80401
Attn: Erik Larsen;
Phone: 303.547.0792

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 Amended Application and that the statements contained therein are true to the best of his knowledge, information and belief.

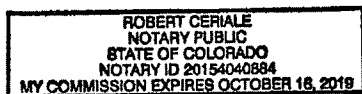
EDGE ENERGY II, LLC




Erik Larsen

Subscribed and sworn to before me this 26th day of July, 2018, by Erik Larsen for Edge Energy II, LLC.

Witness my hand and official seal.





Notary Public

My Commission Expires: October 16, 2019

EXHIBIT A

INTERESTED PARTIES

Weld County

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

Colorado Department of Public Health and Environment

Attn: Oil and Gas Liaison
4300 Cherry Creek Dr. South
Denver, CO 80246-1530

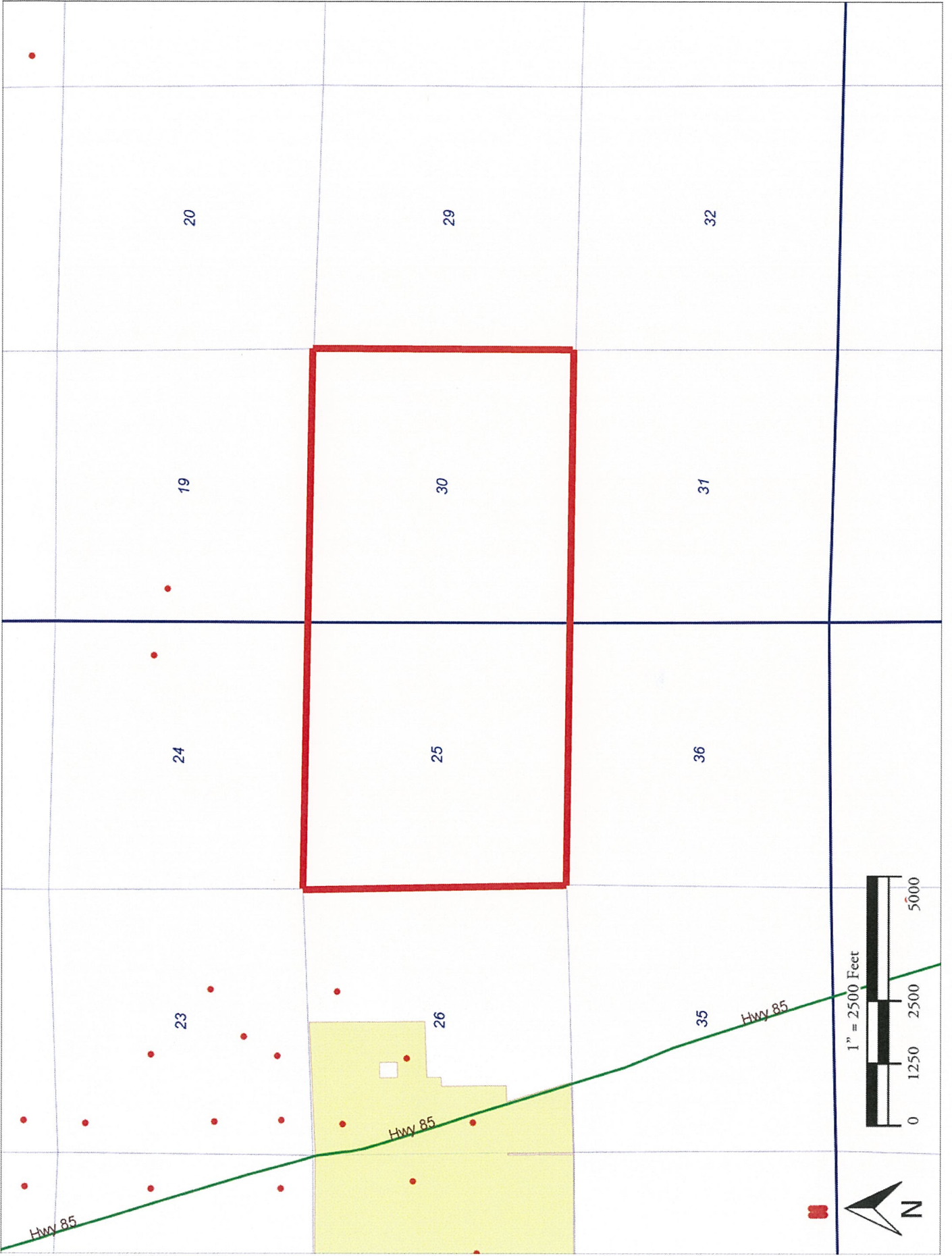
Colorado Division of Wildlife

Northeast Region Office
6060 Broadway
Denver, CO 80216

**EXHIBIT A
INTERESTED PARTIES**

Anadarko E&P Onshore, LLC
Anadarko Land Corp.
Annette Louise Woods Delaney
Ardath Priddy
Batman Partnership
Beatrice R. Montin, Deceased - Unknown Heirs and Assigns
Brent Alyn Levy
Cherilyn Lee Robeda
City of Thornton
Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints, A
Utah Corporation Sole
Dean Center
Douglas Ray Ball
George M Ball
James Eugene Ball
Jerry L. Cutshall and Marjorie A. Cutshall
Kelvin D. Kirkpatrick & Celia L. Kirkpatrick
Lydia Dinges
Raymond E. Peterson, Jr. & Kim D. Peterson
Reena Leaf
Richard James Ball
Robert Isackson and Beth A. Isakson
State of Colorado, acting by and through the State Board of Land Commissioners
Suellen Jane Levy
Voortman Family Trust
Weld County, Board of County Commissioners

Application Lands



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)
MODIFYING ORDER NO. 535-834 ONLY AS) Docket No. 180900703
TO WELL LOCATION RULES APPLICABLE)
TO THE DRILLING AND PRODUCING OF) Type: WELL LOCATION
WELLS FROM THE NIOBRARA, FORT) SETBACK
HAYS, CODELL AND CARLILE)
FORMATIONS FOR CERTAIN LANDS IN)
TOWNSHIP 8 NORTH, RANGES 65 AND 66)
WEST, 6TH P.M., UNNAMED FIELD, WELD)
COUNTY, COLORADO.)

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:

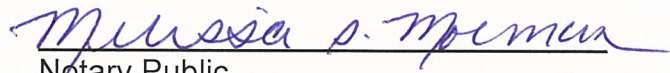
That I am the attorney for Edge Energy II, LLC and that on or before July 26, 2018, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.



Joseph C. Pierzchala

Subscribed and sworn to before me July 27, 2018.

Witness my hand and official seal.



Notary Public
My commission expires: 8/29/2021

