

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

IN THE MATTER OF THE APPLICATION OF THE) CAUSE No. 540
PROMULGATION AND ESTABLISHMENT OF FIELD)
RULES TO GOVERN OPERATIONS FOR THE) DOCKET NO. 161200512
MANCOS AND NIOBRARA FORMATIONS,)
UNNAMED FIELD, MOFFAT COUNTY, COLORADO) TYPE: SPACING
)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 8 North, Range 90 West, 6th P.M.

Section 3: All
Section 4: All
Section 9: All
Section 10: All

Approx. 2,613.44 acres, Order Nos. 540-12 and 540-18 (URU #1)

Township 8 North, Range 91 West, 6th P.M.

Section 27: All
Section 28: N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 33: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$
Section 34: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

Approx. 2,280.00 acres, Order Nos. 540-13 and 540-19 (URU #2)

Township 8 North, Range 92 West, 6th P.M.

Section 23: SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$
Section 24: W $\frac{1}{2}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$
Section 25: All
Section 26: W $\frac{1}{2}$, NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 36: N $\frac{1}{2}$

Township 8 North, Range 91 West, 6th P.M.

Section 31: W $\frac{1}{2}$ W $\frac{1}{2}$

Approx. 2,463.28 acres, Order Nos. 540-15 and 540-21 (URU #3)

Township 7 North, Range 91 West, 6th P.M.

Section 2: S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 3: W $\frac{1}{2}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$

Section 10: All
Section 11: All
Section 14: N½
Section 15: N½N½

Approx. 2,608.80 acres, Order Nos. 540-16 and 540-22 (URU #4)

Township 8 North, Range 90 West, 6th P.M.

Section 15: All
Section 16: All
Section 21: All
Section 22: All

Approx. 2,572.41 acres, Order Nos. 540-17 and 540-23 (URU #5)

Township 7 North, Range 91 West, 6th P.M.

Section 17: All
Section 18: All
Section 19: All
Section 20: All

Approx 2,608.32 acres, Order Nos. 540-24 and 540-38 (URU #6)

Township 7 North, Range 90 West, 6th P.M.

Section 21: All
Section 22: All
Section 27: All
Section 28: All

Approx. 2,607.87 acres, Order Nos. 540-28 and 540-41 (URU #7)

Township 8 North, Range 91 West, 6th P.M.

Section 29: All
Section 30: All
Section 31: All
Section 32: All

Approx. 2,584.52 acres, Order Nos. 540-30 and 540-40 (URU #8)

Township 7 North, Range 92 West, 6th P.M.

Section 11: All
Section 12: All
Section 13: All
Section 14: All

Approx. 2,560.00 acres, Order Nos. 540-32 and 540-43 (URU #9)

Township 8 North, Range 90 West, 6th P.M.

Section 1: All
Section 2: All

Section 11: All
Section 12: All

Approx. 2,517.80 acres, Order Nos. 540-33 and 540-44 (URU #10)

Township 8 North, Range 93 West, 6th P.M.

Section 13: All
Section 14: N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 23: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
Section 24: All

Approx. 2,360.00 acres, Order Nos. 540-34 and 540-45 (URU #11)

Township 7 North, Range 90 West, 6th P.M.

Section 23: All
Section 24: All
Section 25: All
Section 26: All

Approx. 2,592.58 acres, Order Nos. 540-35 and 540-47 (URU #12)

APPLICATION

On October 13, 2016, SWN Production Company, LLC (Operator No. 10396) ("SWN" or "Applicant"), filed a verified application pursuant to § 34-60-116, C.R.S. for an order to:

1. Vacate the unconventional resource units (URU #1 – URU #12) established by Order Nos. 540-12, 540-18; 540-13, 540-19; 540-15, 540-21; 540-16, 540-22; 540-17, 540-23; 540-24, 540-38; 540-28, 540-41; 540-30, 540-40; 540-32, 540-43; 540-33, 540-44; 540-34, 540-45; 540-35, 540-47 for the Application Lands;
2. Such Order shall be effective upon the date of Hearing wherein the Order is approved, and shall be a full termination of URU #1 – URU #12.
3. The Application Lands shall revert to unspaced lands pursuant to Rule 318.a.

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "Regulation," then click on "Orders" or "Rules")

- On March 25, 2013, the Commission entered Order No. 540-12 which established an approximate 2613.44-acre unconventional resource unit for the Application Lands in URU #1, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of eight horizontal well pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the Director.

- On March 25, 2013, the Commission entered Order No. 540-18 which, among other things, pooled all interests in the approximate 2613.44-acre unconventional resource unit established for the Application Lands in URU #1, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first eight wells drilled and completed within the unit.
- On March 25, 2013, the Commission entered Order No. 540-13 which established an approximate 2280.00-acre unconventional resource unit for the Application Lands in URU #2, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of eight horizontal wells pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On March 25, 2013, the Commission entered Order No. 540-19 which, among other things, pooled all interests in the approximate 2280.00-acre unconventional resource unit established for the Application Lands in URU #2, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first eight wells drilled and completed within the unit.
- On March 25, 2013, the Commission entered Order No. 540-15 which established an approximate 2463.28-acre unconventional resource unit for the Application Lands in URU #3, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of eight horizontal wells pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On March 25, 2013, the Commission entered Order No. 540-21 which, among other things, pooled all interests in the approximate 2463.28-acre unconventional resource unit established for the Application Lands in URU #3, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first eight wells drilled and completed within the unit.
- On March 25, 2013, the Commission entered Order No. 540-16 which established an approximate 2608.80-acre unconventional resource unit for the Application Lands in URU #4, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of eight horizontal wells pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On March 25, 2013, the Commission entered Order No. 540-22 which, among other things, pooled all interests in the approximate 2608.80-acre unconventional resource

unit established for the Application Lands in URU #4, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first eight wells drilled and completed within the unit.

- On March 25, 2013, the Commission entered Order No. 540-17 which established an approximate 2572.41-acre unconventional resource unit for the Application Lands in URU #5, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of eight horizontal wells pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On March 25, 2013, the Commission entered Order No. 540-23 which, among other things, pooled all interests in the approximate 2572.41-acre unconventional resource unit established for the Application Lands in URU #5, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first eight wells drilled and completed within the unit.
- On October 28, 2013, the Commission entered Order No. 540-24 which established an approximate 2608.32-acre unconventional resource unit for the Application Lands in URU #6, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of four multi-well pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On October 28, 2013, the Commission entered Order No. 540-38 which, among other things, pooled all interests in the approximate 2608.32-acre unconventional resource unit established for the Application Lands in URU #6, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first four wells drilled and completed within the unit.
- On October 28, 2013, the Commission entered Order No. 540-28 which established an approximate 2607.87-acre unconventional resource unit for the Application Lands in URU #7, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of four multi-well pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On October 28, 2013, the Commission entered Order No. 540-41 which, among other things, pooled all interests in the approximate 2607.87-acre unconventional resource unit established for the Application Lands in URU #7, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first four wells drilled and completed within the unit.

- On October 28, 2013, the Commission entered Order No. 540-30 which established an approximate 2584.52-acre unconventional resource unit for the Application Lands in URU #8, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of four multi-well pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On October 28, 2013, the Commission entered Order No. 540-40 which, among other things, pooled all interests in the approximate 2584.52-acre unconventional resource unit established for the Application Lands in URU #8, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first four wells drilled and completed within the unit.
- On October 28, 2013, the Commission entered Order No. 540-32 which established an approximate 2560.00-acre unconventional resource unit for the Application Lands in URU #9, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of four multi-well pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On October 28, 2013, the Commission entered Order No. 540-43 which, among other things, pooled all interests in the approximate 2560.00-acre unconventional resource unit established for the Application Lands in URU #9, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first four wells drilled and completed within the unit.
- On October 28, 2013, the Commission entered Order No. 540-33 which established an approximate 2517.80-acre unconventional resource unit for the Application Lands in URU #10, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of four multi-well pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On October 28, 2013, the Commission entered Order No. 540-44 which, among other things, pooled all interests in the approximate 2517.80-acre unconventional resource unit established for the Application Lands in URU #10, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first four wells drilled and completed within the unit.
- On October 28, 2013, the Commission entered Order No. 540-34 which established an approximate 2360.00-acre unconventional resource unit for the Application Lands in URU #11, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara

formations, with a limit of four multi-well pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.

- On October 28, 2013, the Commission entered Order No. 540-45 which, among other things, pooled all interests in the approximate 2360.00-acre unconventional resource unit established for the Application Lands in URU #11, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first four wells drilled and completed within the unit.
- On October 28, 2013, the Commission entered Order No. 540-35 which established an approximate 2592.58-acre unconventional resource unit for the Application Lands in URU #12, and approved an appropriate number of horizontal wells to efficiently and economically recover the oil, gas, and associated hydrocarbons within the unit, for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara formations, with a limit of four multi-well pads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the unit boundaries, without exception being granted by the director.
- On October 28, 2013, the Commission entered Order No. 540-47 which, among other things, pooled all interests in the approximate 2592.58-acre unconventional resource unit established for the Application Lands in URU #12, and applied the nonconsent penalties set forth in C.R.S. § 34-60-116(7) to the nonconsenting parties' interests in the first four wells drilled and completed within the unit.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S. and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Dates: December 12–13, 2016
Time: 9:00 a.m.
Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, CO 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

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 November 28, 2016.** 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 November 28, 2016.** 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: November 2, 2016

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