

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 421
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA FORMATION,) DOCKET NO. 170100074
HEREFORD FIELD, WELD COUNTY, COLORADO)
) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 12 North, Range 62 West, 6th P.M.

Section 31: All

Township 11 North, Range 62 West, 6th P.M.

Section 6: All

("DSU #1")

Township 12 North, Range 62 West, 6th P.M.

Section 32: All

Township 11 North, Range 62 West, 6th P.M.

Section 5: All

("DSU #2")

Township 11 North, Range 62 West, 6th P.M.

Section 7: All

Section 18: All

("DSU #3")

Township 11 North, Range 62 West, 6th P.M.

Section 8: All

Section 17: All

("DSU #4")

Township 11 North, Range 62 West, 6th P.M.

Section 19: All

Section 30: All

("DSU #5")

Township 11 North, Range 62 West, 6th P.M.

Section 20: All

Section 29: All

("DSU #6")

APPLICATION

On December 1, 2016, Fifth Creek Energy Operating Company, LLC ("Fifth Creek" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order:

1) Establish an approximate 1,280-acre drilling and spacing unit for Section 31, Township 12 North, Range 62 West, 6th P.M. and Section 6, Township 11 North, Range 62 West, 6th P.M. ("Application Lands in DSU #1) and approve up to eight new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

2) Require that the productive interval of the wellbore be located no closer than 300 feet from the boundaries of the unit and no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director;

3) Maintain two approximate 640-acre drilling and spacing units established by Order No. 421-1 for Section 31, Township 12 North, Range 62 West, 6th P.M. and Section 6, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation only until the date of first completion of the new horizontal well into the unit at which time production from the Elmer #8-31H Well (API No. 05-123-30584) and the Garden Creek #2-06H Well (API No. 05-123-31264) shall be allocated to the proposed DSU #1;

4) Establish an approximate 1,280-acre drilling and spacing unit for Section 32, Township 12 North, Range 62 West, 6th P.M. and Section 5, Township 11 North, Range 62 West, 6th P.M. ("Application Lands in DSU #2) and approve up to eight new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

5) Require that the productive interval of the wellbore be located no closer than 300 feet from the boundaries of the unit and no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director;

6) Maintain one approximate 640-acre drilling and spacing unit established by Order No. 421-1 for Section 32, Township 12 North, Range 62 West, 6th P.M. for the production of oil,

gas and associated hydrocarbons from the Niobrara Formation only until the date of first completion of the new horizontal well into the unit at which time production from the Randall Creek #04-32H Well (API No. 05-123-31233) shall be allocated to the proposed DSU #2;

7) Establish an approximate 1,280-acre drilling and spacing unit for Sections 7 and 18, Township 11 North, Range 62 West, 6th P.M. ("Application Lands in DSU #3) and approve up to eight new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

8) Require that the productive interval of the wellbore be located no closer than 300 feet from the boundaries of the unit and no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director;

9) Maintain two approximate 640-acre drilling and spacing units established by Order No. 421-1 for Sections 7 and 18, Township 11 North, Range 62 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Niobrara Formation only until the date of first completion of the new horizontal well into the unit at which time production from the Garden Creek 28-07H Well (API No. 05-123-34655), the Garden Creek 4-07H Well (API No. 05-123-32501), and the Garden Creek 11-18H Well (API No. 05-123-31331) shall be allocated to the proposed DSU #3;

10) Vacate the approximate 1280-acre exploratory drilling and spacing unit established by Order No. 421-24, for Sections 5 and 8, Township 11 North, Range 62 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

11) Vacate the approximate 1280-acre exploratory drilling and spacing unit established by Order No. 421-27, for Sections 17 and 20, Township 11 North, Range 62 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

12) Establish an approximate 1,280-acre drilling and spacing unit for Sections 8 and 17, Township 11 North, Range 62 West, 6th P.M. ("Application Lands in DSU #4) and approve up to eight new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

13) Require that the productive interval of the wellbore be located no closer than 300 feet from the boundaries of the unit and no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director;

14) Vacate the approximate 1280-acre exploratory drilling and spacing unit established by Order No. 421-32, for Sections 30 and 31, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

15) Establish an approximate 1,280-acre drilling and spacing unit for Sections 19 and 30, Township 11 North, Range 62 West, 6th P.M. ("Application Lands in DSU #5) and approve

up to eight new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

16) Require that the productive interval of the wellbore be located no closer than 300 feet from the boundaries of the unit and no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director;

17) Maintain the approximate 640-acre drilling and spacing unit established by Order No. 421-1 for Section 19, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation only until the date of first completion of the new horizontal well into the unit at which time production from the Garden Creek 12-19H (API No. 05-123-32856) shall be allocated to the proposed DSU #5;

18) Vacate the approximate 1280-acre exploratory drilling and spacing unit established by Order No. 421-31, for Sections 29 and 32, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

19) Establish an approximate 1,280-acre drilling and spacing unit for Sections 20 and 29, Township 11 North, Range 62 West, 6th P.M. ("Application Lands in DSU #6) and approve up to eight new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

20) Require that the productive interval of the wellbore be located no closer than 300 feet from the boundaries of the unit and no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director;

21) Applicant states that all new permitted wells shall be located on no more than five total wellpads, including existing wellpads, within each of the six proposed drilling and spacing units, unless an exception is granted by the Director.

22) Sections 31 and 32, Township 11 North, Range 62 West, 6th P.M. shall be deemed unspaced lands, and shall revert to Rule 318.a.

APPLICABLE ORDERS AND RULES

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

- On February 22, 2010 (corrected January 19, 2012), the Commission entered into Order No. 421-1 which, among other things, established 58 approximate 640-acre drilling and spacing units for certain lands, including DSU #1, DSU #2, DSU #3, DSU #4, DSU #5, and DSU #6 on the Application Lands, and approved one horizontal well within each unit, for the development and operation of the Niobrara Formation, with the productive interval of the wellbore to be located no closer than 600 feet from the unit boundaries, without exception being granted by the Director.

- On October 31, 2011, the Commission entered Order No. 421-12 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 7, Township 11 North, Range 62 West, 6th P.M., and authorized three additional horizontal wells, for a total of up to four horizontal wells, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the permitted wells to be located no closer than 600 feet from the boundaries of the unit, but with no interwell setback within the unit. Section 7 of DSU #3 is subject to Order No. 421-12.
- On January 7, 2013, the Commission entered Order No. 421-24 which, among other things, vacated two approximate 640-acre drilling and spacing units established by Order 421-1 for Sections 5 and 8, Township 11 North, Range 62 West, 6th P.M., and established one approximate 1280-acre stand-up exploratory drilling and spacing unit for Sections 5 and 8, Township 11 North, Range 62 West, 6th P.M., approving up to ten wells within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the bottomhole locations not less than 600 feet from the boundary of the proposed drilling unit and not less than 460 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director. Section 5 of DSU #2 and Section 8 of DSU #4 are subject to Order No. 421-24.
- On January 7, 2013, the Commission entered Order No. 421-27 which, among other things, vacated two approximate 640-acre drilling and spacing units established by Order 421-1 for Sections 17 and 20, Township 11 North, Range 62 West, 6th P.M., and established one approximate 1280-acre stand-up exploratory drilling and spacing unit for Sections 17 and 20, Township 11 North, Range 62 West, 6th P.M., approving up to ten wells within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the bottomhole locations not less than 600 feet from the boundary of the proposed drilling unit and not less than 460 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director. Section 17 of DSU #4 and Section 20 of DSU #6 are subject to Order No. 421-27.
- On January 7, 2013, the Commission entered Order No. 421-31 which, among other things, maintained two approximate 640-acre drilling and spacing units established by Order Nos. 421-1 and 421-3 for Sections 29 and 32, Township 11 North, Range 62 West, 6th P.M., for the Garden Creek #21-32H Well, and established one approximate 1280-acre stand-up exploratory drilling and spacing unit for Sections 29 and 32, Township 11 North, Range 62 West, 6th P.M., approving up to ten wells within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the bottomhole locations not less than 600 feet from the boundary of the proposed drilling unit and not less than 460 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director. Section 29 of DSU #6 is subject to Order No. 421-31.
- On January 7, 2013, the Commission entered Order No. 421-32 which, among other things, vacated two approximate 640-acre drilling and spacing units established by Order Nos. 421-1 and 421-3 for Sections 30 and 31, Township 11 North, Range 62 West, 6th P.M., and established one approximate 1280-acre stand-up exploratory drilling

and spacing unit for Sections 30 and 31, Township 11 North, Range 62 West, 6th P.M., approving up to ten wells within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the bottomhole locations not less than 600 feet from the boundary of the proposed drilling unit and not less than 460 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director. Section 30, Township 11 North, Range 62 West, 6th P.M. in DSU #5 is subject to Order No. 421-32.

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:

Date: January 30-31, 2016
Time: 9:00 a.m.
Place: Colorado Oil and Gas Conservation Commission
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 January 13, 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 January 16, 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: December 19, 2016

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