

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE CODELL AND NIOBRARA) DOCKET NO. 170900534
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 1 North, Range 66 West, 6th P.M.
Section 25: S½

APPLICATION

On July 11, 2017, Crestone Peak Resources Operating LLC (Operator No. 10633) ("Crestone Peak" or "Applicant"), filed a verified application pursuant C.R.S. 34-60-116 for an order to:

1) Establish an approximate 320-acre drilling and spacing unit for Section 25: S½, Township 1 North, Range 68 West, 6th P.M., and approve up to nine horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; and

2) Require that the productive interval any horizontal well shall be no closer than 460 feet from the boundaries of the unit and not less than 150 feet from the productive interval of another well within the unit, unless an exception is granted by the Director.

3) Applicant states that all wells permitted under this Order shall be drilled from three well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

APPLICABLE ORDERS AND RULES

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

- On February 19, 1992, the Commission entered Order No. 407-87 which, among other things, established 80 acre drilling and spacing units for vertical and/or directional wells for the production of oil and/or gas from the Codell-Niobrara Formations. The Application Lands are subject to Order No. 407-87 as it applies to the existing vertical and/or directional well development and operation of the Codell and Niobrara Formations on the Application Lands.
- The Application Lands are within the Greater Wattenberg Area ("GWA") and thus are subject to Rule 318A. 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 within the GWA. 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. On August 8, 2011, Rule 318A was further amended to, among other things, address drilling of horizontal wells. The August 8, 2011 amendment did not prohibit the establishment of drilling and spacing units within the GWA but the Application Lands will be subject to the four hundred sixty (460) foot subsurface mineral boundary setback for the Codell and Niobrara Formations prescribed under Rule 318A.

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 the variance request for hearing on:

Date: September 11-12, 2017
Time: 9:00 a.m.
Place: Durango Public Library
Program Room #2
1900 E 3rd Avenue
Durango, CO 81301


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 August 28, 2017.** 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 28, 2017.** 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


James P. Rouse, Acting Secretary

Dated: July 27, 2017

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