

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. 170900554
HEREFORD FIELD, WELD COUNTY, COLORADO)
) TYPE: ADDITIONAL WELLS

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 July 13, 2017, 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. For DSU #1: approve an additional seven (7) horizontal wells, for a total of fifteen (15) horizontal wells, in an approximate 1,280-acre drilling and spacing unit established for Section 31, Township 12 North, Range 62 West, 6th P.M. and for Section 6, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

2. For DSU #2: approve an additional seven (7) horizontal wells, for a total of fifteen (15) horizontal wells, in an approximate 1,280-acre drilling and spacing unit established for Section 32, Township 12 North, Range 62 West, 6th P.M. and for Section 5, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

3. For DSU #3: approve an additional seven (7) horizontal wells, for a total of fifteen (15) horizontal wells, in an approximate 1,280-acre drilling and spacing unit established 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;

4. For DSU #4: approve an additional seven (7) horizontal wells, for a total of fifteen (15) horizontal wells, in an approximate 1,280-acre drilling and spacing unit established for Sections 8 and 17, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

5. For DSU #5: approve an additional seven (7) horizontal wells, for a total of fifteen (15) horizontal wells, in an approximate 1,280-acre drilling and spacing unit established for Sections 19 and 30, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

6. For DSU #6: approve an additional seven (7) horizontal wells, for a total of fifteen (15) horizontal wells, in an approximate 1,280-acre drilling and spacing unit established for Sections 20 and 29, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;

7. For DSU #1 - #6: require that the productive interval of each additional proposed horizontal well in each 1,280 acre drilling and spacing unit shall be no closer than 300 feet from the boundaries of the unit (regardless of the lease lines within the unit) and all horizontal wells shall be 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.

8. For DSU #1 - #6: Applicant stated that the wells will be drilled from no more than five well pads, including the existing wellpads, in each of the six proposed drilling and spacing units to be located within such unit or adjacent thereto, unless an exception is granted by the Director, consistent with Order No. 421-83.

9. Applicant also requests any such other findings and orders as the Commission may deem proper or advisable.

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 Order No. 421-1 which, among other things, established 58 approximate 640-acre drilling and spacing units for certain lands, including DSU #1 – 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. The approximate 1,280-acre exploratory drilling and spacing unit established by Order No. 421-24 has been vacated by Order No. 421-83.
- 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. The approximate 1,280-acre exploratory drilling and spacing unit established by Order No. 421-27 has been vacated by Order No. 421-83.

- 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. The approximate 1,280-acre exploratory drilling and spacing unit established by Order No. 421-31 has been vacated by Order No. 421-83.
- 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. The approximate 1,280-acre exploratory drilling and spacing unit established by Order No. 421-32 has been vacated by Order No. 421-83.
- On January 30, 2017, the Commission entered Order No. 421-83 which, among other things, established six approximate 1,280-acre drilling and spacing units for DSU #1, DSU #2, DSU #3, DSU #4, DSU #5 and DSU #6, providing that the existing 640-acre units for the production of the existing wells shall be maintained only until the date of first completion of the new horizontal well into the unit, and approved up to eight new horizontal wells in each approximate 1,280-acre drilling and spacing unit, providing that the productive interval of each wellbore shall 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, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

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: September 11 - 12, 2017

Time: 9:00 a.m.

Place: Durango Public Library
Program Room #2
1900 East Third 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 Rouse, Acting Secretary

Dated: July 31, 2017

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

Attorneys for Fifth Creek:
Jamie L. Jost
Kelsey Wasylenky
Jost Energy Law, P.C.
1401 17th Street, Suite 370
Denver, Colorado 80203
(720) 446-5620
jjost@jostenergylaw.com
kwasylenky@jostenergylaw.com