

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 407 & 535
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS FOR THE FORT HAYS, CARLILE,)	DOCKET NO. 180300133
CODELL AND NIOBRARA FORMATIONS,)	
WATTENBERG AND UNNAMED FIELDS, WELD)	TYPE: SPACING
COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 8 North, Range 61 West, 6th P.M.
Section 35: All

Township 7 North, Range 61 West, 6th P.M.
Section 2: All

APPLICATION

On January 11, 2018, Mallard Exploration, LLC (Operator No. 10670) ("Mallard" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order:

- 1) Vacate an approximate 960-acre drilling and spacing unit established by Order No. 535-528 for Sections 26 and the N½ of 35, Township 8 North, Range 61 West, 6th P.M.
- 2) Establish an approximate 1,280-acre drilling and spacing unit for Sections 35, Township 8 North, Range 61 West, 6th P.M., and Section 2, Township 7 North, Range 61 West, 6th P.M., and to approve up to 16 new wells in the proposed approximate 1,280-acre drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations underlying the below-described lands.
- 3) Provide that the productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the proposed unit (regardless of lease lines within the unit), unless an exception is granted by the Director, and no closer than 150 feet from the productive interval of any other wellbore within the unit producing from the same source of supply, unless an exception is granted by the Director and authorize up to four new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.
- 4) Find that the approximate 1,280-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Fort Hays, Carlile, Codell and Niobrara Formations in Section 35, Township 8 North, Range 61 West, 6th P.M., and Section 2, Township 7 North, Range 61 West, 6th P.M.

APPLICABLE ORDERS AND RULES

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

- On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area, Special Well Location, Spacing and Unit Designation Rule. Section 2, Township 7 North, Range 61 West, 6th P.M. is subject to Rule 318A for the Fort Hays, Carlile, Codell and Niobrara Formations.
- Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. Section 35, Township 8 North, Range 61 West, 6th P.M. is subject to this Rule for the Fort Hays, Carlile and Codell Formations.
- On September 19, 2011, the Commission entered Order No. 535-69 which established 40 approximate 640-acre drilling and spacing units and approved two horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- On January 23, 2013, the Commission entered Order No. 535-139 which pooled all interests in Section 35, Township 8 North, Range 61 West, 6th P.M. to accommodate the Politzer 1-35H Well (API No. 05-123-34858), and subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., for the development and operation of the Niobrara Formation. Order No. 535-139 was vacated by 535-528.
- On September 15, 2014, the Commission entered Order No. 535-528 which, among other things, 1) vacated the approximate 640-acre drilling and spacing unit established by Order No. 535-69 for Section 35, Township 8 North, Range 61 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation; 2) vacated Order No. 535-139 in its entirety; and 3) established an approximate 960-acre drilling and spacing unit for Sections 26 and the N½ of Section 35, Township 8 North, Range 61 West, 6th P.M., 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: March 19-20, 2018
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 March 5, 2018.** 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 March 5, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** 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 Spence Prine, Secretary

Dated: February 8, 2018

Colorado Oil and Gas Conservation Commission
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