

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

IN THE MATTER OF THE PROMULGATION AND ) CAUSE NO. 535  
ESTABLISHMENT OF FIELD RULES TO GOVERN )  
OPERATIONS FOR THE FORT HAYS, CARLILE, ) DOCKET NO. 180300135  
CODELL AND NIOBRARA FORMATIONS, )  
UNNAMED FIELD, WELD COUNTY, COLORADO ) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 8 North, Range 61 West, 6<sup>th</sup> P.M.

Section 32: All

Section 33: All

APPLICATION

On January 12, 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 to:

- 1) Vacate an approximate 960-acre drilling and spacing unit established by Order No. 535-421 for Section 32 and the S½ of Section 29, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;
- 2) Vacate Order No. 535-500, which pooled all interests in an approximate 960-acre unit established for Section 32 and the S½ of Section 29, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., for the development and operation of the Niobrara Formation;
- 3) Vacate an approximate 960-acre drilling and spacing unit established by Order No. 535-509 for Section 33 and the S½ of Section 28, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;
- 4) Establish an approximate 1,280-acre drilling and spacing unit for Sections 32 and 33, Township 8 North, Range 61 West, 6<sup>th</sup> 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;
- 5) 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 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.
- 6) 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 Sections 32 and 33, Township 8 North, Range 61 West, 6<sup>th</sup> P.M.

APPLICABLE ORDERS AND RULES

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

- 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. Sections 32 and 33, Township 8 North, Range 61 West, 6<sup>th</sup> P.M. are 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 November 15, 2012, the Commission entered Order No. 535-221 which, among other things, established an approximate 1280-acre drilling and spacing unit for Sections 29 and 32, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and approved up to two horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On January 7, 2013, the Commission entered Order No. 535-241 which approved up to six horizontal wells within the approximate 1280-acre drilling and spacing unit established for Sections 29 and 32, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On January 7, 2013, the Commission entered Order No. 535-256 which, among other things, pooled all interests in an approximate 1280-acre drilling and spacing unit established for Sections 29 and 32, Township 8 North, Range 61 West, 6<sup>th</sup> P.M. to accommodate up to six horizontal wells, including the Gaffney 1-32-8-61 Well, for the development and operation of the Niobrara Formation.
- On September 16, 2013, the Commission entered Order No. 535-421 which, among other things, vacated Order Nos. 535-221, 535-241 and 535-256; and established an approximate 960-acre drilling and spacing unit for Section 32 and the S½ of Section 29, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and approve up to sixteen horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On June 17, 2014, the Commission entered Order No. 535-500 which pooled all interests within the approximate 960-acre drilling and spacing unit established for Sections 29 and 32, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and subjected the nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S. for the drilling of the Schulte 29-1H Well, for the development and operation of the Niobrara Formation.
- On July 24, 2014, the Commission entered Order No. 535-509 which, among other things,

vacated an approximate 640-acre drilling and spacing unit established by Order No. 535-69 for Section 33, Township 8 North, Range 61 West, 6<sup>th</sup> P.M.; and established an approximate 960-acre drilling and spacing unit for the S½ of Section 28 and Section 33, Township 8 North, Range 61 West, 6<sup>th</sup> P.M., and approve up to a total of 16 horizontal wells within the unit, 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, Colorado 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

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