

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. 180300241
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 7 North, Range 60 West, 6th P.M.

Section 1: All
Section 12: All

APPLICATION

On January 18, 2018 (amended on February 9, 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 Order No. 535-551 which subjected the nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., for the drilling of the Green 1-2H Well and Green 1-3H Well, for the development and operation of the Niobrara Formation;
- 2) Vacate Order No. 535-526 which modified Order Nos. 407-514 and 535-104 to allow 300 foot setbacks to the unit boundaries of the unit established for Section 1, Township 7 North, Range 60 West, 6th P.M.;
- 3) Vacate Order No. 535-499 which pooled all interests within the approximate drilling and spacing unit established for Section 1, Township 7 North, Range 60 West, 6th P.M., for the drilling of the Green 1-1H Well, for the development and operation of the Niobrara Formation;
- 4) Vacate Order No. 535-487 which approved an additional seven horizontal wells, for a total of up to eight horizontal wells within an approximate 640-acre drilling and spacing unit established for Section 1, Township 7 North, Range 60 West, 6th P.M.;
- 5) Vacate Order No. 535-140 which pooled all interests in the approximate 640-acre drilling and spacing unit established for Section 1, Township 7 North, Range 60 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;
- 6) Vacate an approximate 640-acre drilling and spacing unit established by Order Nos. 407-514 and 535-104 for Section 1, Township 7 North, Range 60 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;
- 7) Establish an approximate 1,280-acre drilling and spacing unit for Sections 1 and 12, Township 7 North, Range 60 West, 6th P.M., and approve up to 16 new horizontal wells in the

unit, for the production of oil, gas and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations; and

8) 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), and no closer than 150 feet from the productive interval of any 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.

9) 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.

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, on unspaced lands, 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 12, Township 7 North, Range 60 West, 6th P.M. is subject to Rule 318.a. for the Codell, Fort Hays, Carlile and Niobrara Formations.
- On December 12, 2011, the Commission entered Order Nos. 407-514 and 535-104 which, among other things, (1) established three approximate 1,280-acre drilling and spacing units for Townships 2 and 7 North, Ranges 60, 63 and 64 West, 6th P.M.; (2) established seven approximate 640-acre spacing and drilling units for Townships 1, 6, 7 and 11 North, Ranges 58, 60, 61, 62 and 64 West, 6th P.M.; and (3) approved one horizontal well within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 1, Township 7 North, Range 60 West, 6th P.M. is subject to this Order for the Niobrara Formation.
- On January 23, 2012, the Commission entered Order No. 535-140 which, among other things, pooled all interests in one approximate 640-acre drilling and spacing unit established for Section 1, Township 7 North, Range 60 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On June 17, 2014, the Commission entered Order No. 535-487 which approved an additional seven horizontal wells, for a total of up to eight horizontal wells within an approximate 640-acre drilling and spacing unit established for Section 1, Township 7 North, Range 60 West, 6th P.M. by Order Nos. 407-514 and 535-104.
- On June 17, 2014, the Commission entered Order No. 535-499 which pooled all interests within an approximate drilling and spacing unit established for Section 1, Township 7 North, Range 60 West, 6th P.M., and subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., for the drilling of the Green 1-1H Well, for

the development and operation of the Niobrara Formation.

- On July 28, 2014, the Commission entered Order No. 535-526 which, among other things, modified Order Nos. 407-514 and 535-104 to allow 300 foot setbacks to the unit boundaries of an approximate 640-acre drilling and spacing unit established for Section 1, Township 7 North, Range 60 West, 6th P.M. and an approximate 1280-acre drilling and spacing unit established for Sections 2 and 11, Township 7 North, Range 60 West, 6th P.M.
- On September 15, 2014, the Commission entered Order No. 535-551 which, among other things, subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S. were first incurred for the drilling of the Green 1-2H Well (API No. 05-123-39926) and Green 1-3H Well (API No. 05-123-39924).

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 9, 2018

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