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

CAUSE NO. 1
DOCKET NO. 180300277
TYPE: GENERAL
ADMINISTRATIVE

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 1 North, Range 68 West, 6th P.M. Section 20: SE¼SE¼

Section 21: SW¼SW¼ Section 28: W½W½ Section 29: E½E½ Section 32: NE¼NE¼ Section 33: NW¼NW¼

Wellbore Spacing Unit No. 1: 480 acres Mae 21-1HZ Well

Township 1 North, Range 68 West, 6th P.M.

Section 21: SW¼SW¼ Section 28: W½W½ Section 33: NW¼NW¼

Wellbore Spacing Unit Nos. 2-3: 240 acres

Mae 21-2HZ Well Mae 21-3HZ Well

Township 1 North, Range 68 West, 6th P.M.

Section 21: S½SW¼ Section 28: W½ Section 33: N½NW¼

Wellbore Spacing Unit Nos. 4-6: 480 acres

Mae 21-4HZ Well Mae 21-5HZ Well Mae 21-6HZ Well

Township 1 North, Range 68 West, 6th P.M.

Section 21: SE¼SW¼ Section 28: E½W½ Section 33: NE¼NW¼

Wellbore Spacing Unit No. 7: 240 acres

Mae 21-7HZ Well

Township 1 North, Range 68 West, 6th P.M.

Section 21: SE¼SW¼, SW¼SE¼

Section 28: E1/2W1/2, W1/2E1/2

Section 33: NE¼NW¼, NW¼NE¼

Wellbore Spacing Unit Nos. 8-10: 480 acres

Mae 21-8HZ Well Mae 21-9HZ Well Mae 21-10HZ Well

Township 1 North, Range 68 West, 6th P.M.

Section 21: SW1/4SE1/4

Section 28: W½E½, E½SW¼ Section 33: NE¼NW¼, NW¼NE¼

Wellbore Spacing Unit No. 11: 360 acres

Mae 21-11HZ Well

Township 1 North, Range 68 West, 6th P.M.

Section 21: SW¼SE¼ Section 28: W½E½ Section 33: NW¼NE¼

Wellbore Spacing Unit No. 12: 240 acres

Mae 21-12HZ Well

Township 1 North, Range 68 West, 6th P.M.

Section 21: S½SE¼ Section 28: E½ Section 33: N½NE¼

Wellbore Spacing Unit Nos. 13-15: 480 acres

Mae 21-13HZ Well Mae 21-14HZ Well Mae 21-15HZ Well Township 1 North, Range 68 West, 6th P.M.

Section 21: SE¼SE¼

Section 28: E½E½, SW¼SE¼

Section 33: N½NE¼

Wellbore Spacing Unit No. 16: 320 acres Mae 21-16HZ Well

Township 1 North, Range 68 West, 6th P.M.

Section 21: SE¼SE¼
Section 22: SW¼SW¼
Section 27: W½W½
Section 28: E½E½
Section 33: NE¼NE¼
Section 34: NW¼NW¼

Wellbore Spacing Unit Nos. 17–18: 480 acres Mae 21-17HZ Well Mae 21-18HZ Well

<u>APPLICATION</u>

On November 30, 2017, Kerr McGee Oil & Gas Onshore LP (Operator No. 47120) ("KMG" or "Applicant"), filed a formal request pursuant to Rule 318A.e.(5)C for a Commission hearing regarding Extraction Oil & Gas, Inc.'s Objections to KMG's proposed Wellbore Spacing Unit Nos. 1–18 for KMG's Mae 21-1HZ through Mae 21-18HZ Wells. Pursuant to § 34-60-116, C.R.S., KMG requests an order to:

- 1) Dismiss Extraction Oil & Gas, Inc.'s Objections to KMG Wellbore Spacing Unit Nos. 1–18 proposed for KMG's Mae 21-1HZ through Mae 21-18HZ Wells; and
- 2) Approve Wellbore Spacing Unit Nos. 1–18 comprised of the Application Lands, for KMG's Mae 21-1HZ through Mae 21-18HZ Wells, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations.

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, 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. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.

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 three (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

Julie Spence Prine, Secretary

Dated: February 5, 2018

Colorado Oil and Gas Conservation Commission

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Website: http://cogcc.state.co.us

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