

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 1
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA AND CODELL) DOCKET NO. 180700625
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: GENERAL
) ADMINISTRATIVE

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 1 North, Range 64 West, 6th P.M.

Section 4: All

Section 5: All

Document No.	Well Name	Objective Formation
401442210	Reiter 04-1H	NIOBRARA
401442322	Reiter 04-8H	NIOBRARA
401442313	Reiter 04-7H	NIOBRARA
401442309	Reiter 04-6H	CODELL
401442303	Reiter 04-5H	NIOBRARA
401442285	Reiter 04-4H	NIOBRARA
401442279	Reiter 04-3H	NIOBRARA
401442255	Reiter 04-2H	CODELL

("Reiter Applications for Permit to Drill")

APPLICATION

On May 30, 2018, HighPoint Operating Corporation (Operator No. 10071) ("HighPoint" or "Complainant"), by its attorneys, filed an Exception to the Director's Dismissal of its Rule 303.j. Complaint pursuant to §24-4-105(14)(a)(II), C.R.S., with a request that:

- 1) The Director provide a copy of this Exception to the Commissioners.
- 2) The Commission issue an immediate stay of approval of Verdad Resources LLC's Applications for Permit to Drill (APDs) listed above for the Reiter Wells with a surface location in the SE¼ of Section 4, Township 1 North, Range 64 West, 6th P.M., and bottom hole locations in the S½ of Section 5, Township 1 North, Range 64 West, 6th P.M. with an approximate 640-acre designated horizontal wellbore spacing unit established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.
- 3) Upon hearing, the Commissioners reverse the Director's dismissal of HighPoint's Rule 303.j Complaint.

- 4) Upon reversal of the Director's dismissal of HighPoint's Rule 303.j Complaint, the Commissioners hear HighPoint's substantive arguments regarding denial of the Reiter APDs and Reiter Pad.
- 5) For such other findings and orders as the Commission may deem proper or advisable in this matter.

PRIOR ORDERS

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

- On July 24, 2017, the Commission approved Order No. 407-2097 which established an approximate 1,280-acre drilling and spacing unit for Sections 4 and 5, Township 1 North, Range 64 West, 6th P.M., and approve up to 16 horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

APPLICABLE RULES AND STATUTES

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

- On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule.
- Rule 303.j. provides that the Director may withhold approval of any Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, for any proposed well or Oil and Gas Location when, based on information supplied in a written complaint submitted by any party with standing under Rule 522.a.(1), other than a local governmental designee, or by staff analysis, the Director has reasonable cause to believe the proposed well or Oil and Gas Location is in material violation of the Commission's rules, regulations, orders or statutes, or otherwise presents an imminent threat to public health, safety and welfare, including the environment, or a material threat to wildlife resources. Any such withholding of approval shall be limited to the minimum period of time necessary to investigate and dismiss the complaint, or to resolve the alleged violation or issue. If the complaint is dismissed or the matter resolved to the dissatisfaction of the complainant, such person may consult with the parties identified in Rule 503.b.(7).
- Rule 503.b. (10) provides that an applicant may file an Application for purposes of seeking relief or a ruling from the Commission on any other matter not described in (1) through (9), if they can demonstrate that they are directly and adversely affected or aggrieved by the conduct of oil and gas operations or an order of the Commission and that their interest is entitled to legal protection under the Act.
- Section 24-4-105(15)(a), C.R.S. provides, in relevant part, that any party who seeks to reverse or modify an initial decision shall file with the agency, within twenty (20) days following such decision, a designation of the relevant parts of the record described in subsection (14) of this section. The grounds of the decision shall be within the scope of the issues presented on the record. The record shall include all matters constituting the

record upon which the decision was based, the rulings upon the proposed findings and conclusions, the initial decision, and any other exceptions and briefs filed.

- Section 24-4-105(14)(a)(II), C.R.S. provides that an initial decision regarding agency action may be appealed to the Commission by filing an exception within thirty (30) days after service of the initial decision upon the parties.

NOTICE IS HEREBY GIVEN, pursuant to C.R.S. §§ 34-60-101 to -130, and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: July 30 – August 1, 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 July 16, 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 July 16, 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: June 25, 2018

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