

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 NIOBRARA, FORT HAYS,) DOCKET NO. 180900645
CODELL, AND CARLILE FORMATIONS, UNNAMED)
FIELD, WELD COUNTY, COLORADO) TYPE: POOLING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 9 North, Range 59 West, 6th P.M.
Section 31: E½
Section 32: All

APPLICATION

On June 28, 2018, amended on August 3, 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) Amend Order No. 535-734 to include the Fort Hays and Carlile Formations.
- 2) Pool all interests in an approximate 960-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Niobrara, Fort Hays, Codell and Carlile Formations.
- 3) Subject the nonconsenting interests and any party failing to fulfill its election 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 first horizontal well within the unit ("Well").

APPLICABLE ORDERS AND RULES

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

- On February 22, 2011, the Commission entered Order No. 535-3, which, among other things: (1) established a 640-acre drilling and spacing unit, for the production of Niobrara Formation oil, gas and associated hydrocarbons, comprised of all of Section 31, Township 9 North, Range 59 West, 6th P.M.; and (2) approved the drilling, completion and operation of one horizontal well, the treated intervals of which to be located no closer than 600 feet from the boundaries of such drilling and spacing unit, absent exception being granted by the Director or variance being granted by the Commission.
- On September 19, 2011, the Commission entered order No. 535-69 which established 40 approximate 640-acre drilling and spacing units for certain lands located in Townships 7 through 9 North, Ranges 58 through 61 West, 6th P.M., including Section 32, Township 9

North, Range 59 West, 6th P.M., and approved two horizontal wells within each unit, and vertical wells with 150 foot bottomhole setbacks, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

- On October 26, 2015 the Commission entered Order No. 535-704 which, among other things: (1) partially vacated Order No. 535-69, insofar as the same covered all of Section 32, Township 9 North, Range 59 West, 6th P.M.; (2) established a 960-acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons Codell and Niobrara Formations, comprised of all of Section 32, Township 9 North, Range 59 West, 6th P.M. and the N/2 of Section 5, Township 8 North, Range 59 West, 6th P.M.; and (3) approved the drilling, completion and operation of up to 28 horizontal wells, the treated intervals of which to be located: (i) no closer than 460 feet from the boundaries of such drilling and spacing unit and (ii) not less than 150 feet from any existing or permitted oil or gas wellbore, absent exception being granted by the Director or variance being granted by the Commission.
- On August 29, 2016, the Commission entered Order No. 535-734 which, among other things, vacated Order No. 535-3 insofar as it applies to Section 31, Township 9 North, Range 59 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) vacated the approximate 960-acre drilling and spacing unit approved by Order No. 535-704 for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, in so far as Order No. 535-704 pertains to all of Section 32, Township 9 North, Range 59 West, 6th P.M.; and, 3) established an approximate 960-acre drilling and spacing unit for Sections 31 and 32, Township 9 North, Range 59 West, 6th P.M., and approved up to 24 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell 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: September 17-18, 2018
Time: 9:00 a.m.
Place: Garfield County Sheriff's Annex - Rifle
106 County Road 333-A
Rifle, Colorado 81650

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 August 31, 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 September 3, 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: August 8, 2018

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

Attorneys for Applicant:
Jamie L. Jost
Jill D. Dorancy
Jost Energy Law, P.C.
1401 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620
jjost@jostenergylaw.com
jdorancy@jostenergylaw.com