

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA AND CODELL) DOCKET NO. 180900663
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 2 North, Range 68 West, 6th P.M.

Section 12: W $\frac{1}{2}$

Section 13: NW $\frac{1}{4}$

APPLICATION

On July 17, 2018, Crestone Peak Resources Operating LLC (Operator No. 10633) ("Crestone Peak" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S. for an order to:

- 1) Establish an approximate 480-acre drilling and spacing unit for the W $\frac{1}{2}$ of Section 12 and the NW $\frac{1}{4}$ of Section 13, Township 2 North, Range 68 West, 6th P.M., and approve up to 10 horizontal wells in the approximate 480-acre drilling and spacing unit, to be drilled in a north south or south-north orientation, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations in the unit.
- 2) Providing that the productive interval of any horizontal well shall be no closer than 460 feet from the northern and western boundaries of the unit (regardless of lease lines within the unit), no closer than 150 feet from the eastern and southern boundaries of the unit (regardless of lease lines within the unit), and not less than 150 feet from the productive interval of another well within the unit, unless an exception is granted by the Director.
- 3) Approve up to two new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.
- 4) Find that the approximate 480-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara and Codell Formations in the Application Lands.
- 5) For such other findings and orders as the Commission may deem proper or advisable in this matter.

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, the Greater Wattenberg Area, Special Well Location, Spacing and Unit Designation Rule. The Application Lands are within the Greater Wattenberg Area ("GWA") and thus are subject to Rule 318A.
- On February 19, 1992 (Amended August 20, 1993), the Commission entered Order No. 407-87 which, among other things, established 80-acre drilling and spacing units for vertical and/or directional wells for the production of oil and/or gas from the Codell-Niobrara Formations. The Application Lands are subject to Order No. 407-87 as it applies to the existing vertical and/or directional well development and operation of the Niobrara and Codell Formations on the Application Lands.
- On June 27, 2011, the Commission entered Order No. 232-281 and 407-442 which, among other things, pooled all nonconsenting interests in a designated approximate 160-acre wellbore spacing unit consisting of the E½ NW¼ and W½ NE¼ of Section 12, Township 2 North, Range 68 West, 6th P.M., to accommodate the Johnson #4-2-12 Well (API No. 05-123-29658), for the development and operation of the Niobrara, Codell, and "J" Sand Formations. Order No. 232-281 and 407-442 is wellbore specific and does not affect this Application.
- On June 27, 2011, the Commission entered Order No. 232-283 and 407-444 which, among other things, pooled all nonconsenting interests in a designated approximate 160-acre wellbore spacing unit consisting of the SE¼ NE¼ and NE¼ SE¼ of Section 11 and the SW¼ NW¼ and NW¼ SW¼ of Section 12, Township 2 North, Range 68 West, 6th P.M. to accommodate the Johnson #0-4-12 Well (API No. 05-123-29664), for the development and operation of the Niobrara, Codell, and "J" Sand Formations. Order No. 232-283 and 407-444 is wellbore specific and does not affect this Application.
- On October 27, 2014, the Commission entered Order No. 407-1149 which, among other things, pooled all interests in an approximate 480-acre designated horizontal wellbore spacing unit established for portions of Sections 11, 12, 13 and 14, Township 2 North, Range 68 West, 6th P.M., for the development and operation of the Niobrara Formation, and to subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the date of the Application, for the drilling of the Grant Hurt 1H-14H-G268 Well (API No. 05-123-38093). Order No. 407-1149 is wellbore specific and does not affect this Application.

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

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