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

IN THE MATTER OF THE APPLICATION OF CRESTONE PEAK RESOURCES OPERATING LLC FOR AN ORDER TO: (1) ESTABLISH AN APPROXIMATE 2,560-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 1 AND 12, TOWNSHIP 1 NORTH, RANGE 69 WEST AND SECTIONS 25 AND 36, TOWNSHIP 2 NORTH. RANGE 69 WEST, 6<sup>TH</sup> P.M. IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN. OR IF SUCH PLAN IS NOT APPROVED IN **ACCORDANCE WITH C.R.S. § 34-60-116**, (2) ALLOW UP TO FIFTY-SIX (56) SEVENTY-TWO (72) THIRTY-ONE (31) HORIZONTAL WELLS IN THE 2,560 ACRE DRILLING AND SPACING UNIT IN **ACCORDANCE** WITH CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN OR IF SUCH PLAN IS NOT **APPROVED** IN **ACCORDANCE WITH C.R.S. § 34-60-116**, (3) TO APPROVE UP TO FIVE (5) SIX (6) OIL AND GAS LOCATIONS WELLPADS (LOCATIONS TO BE DETERMINED) IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN OR IF SUCH PLAN IS NOT APPROVED UP TO FOUR (4) WELLPADS WITHIN THE UNIT FOR THE DEVELOPMENT AND OPERATION OF THE CODELL AND NIOBRARA FORMATIONS. WATTENBERG FIELD, BOULDER COUNTY, COLORADO. AND (4) TO APPROVE A RULE 502.b. VARIANCE TO COMMISSION RULE 303.

CAUSE NO. 407

DOCKET NO. 170500190

TYPE: SPACING

#### **SECOND AMENDED APPLICATION**

COMES NOW Crestone Peak Resources Operating LLC (Operator No. 10633) ("Applicant"), by and through its undersigned attorneys, and respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to: (1) establish an approximate 2,560-acre drilling and spacing unit for Sections 1 and 12, Township 1 North, Range 69 West and Sections 25 and 36, Township 2 North, Range 69 West, 6<sup>th</sup> P.M., Boulder County, Colorado in accordance with Applicant's corresponding Commission Rule 216 Comprehensive Drilling Plan or if such plan is not approved in accordance with C.R.S. § 34-60-116,

(2) allow up to fifty-six (56) seventy-two (72) thirty-one (31) horizontal wells in the approximate 2,560-acre drilling and spacing unit for the development and operation of the Codell and Niobrara Formations in accordance with Applicant's corresponding Commission Rule 216 Comprehensive Drilling Plan or if such plan is not approved in accordance with C.R.S. § 34-60-116, and (3) to approve up to five (5) six (6) Oil and Gas Locations (as defined by the Commission 100 Series Rules) wellpads, with such locations to be determined, in accordance with Applicant's corresponding Commission Rule 216 Comprehensive Drilling Plan or if such plan is not approved, then up to four (4) wellpads within the unit. and (4) grant a Rule 502.b. variance to Rule 303 by placing a temporary hold on accepting any new Form 2, Applications for Permit to Drill, or Form 2A's, Oil and Gas Location Assessments for the Application Lands for any Owner (as defined in C.R.S. 34-60-103(7)) other than Applicant in order to preserve the intent of a Commission Rule 216 Comprehensive Drilling Plan. All such requests in this Application are to support the purpose of Commission Rule 216, and C.R.S. § 34-60-116, and to prevent waste, protect correlative rights, minimize surface impacts and to allow for efficient and economic development of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

#### **General Information**

- 1. Applicant is a limited liability corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
- 2. Applicant owns leasehold interests **(approximately 65.50%)** or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 1 North, Range 69 West, 6<sup>th</sup> P.M.

Section 1: All Section 12: All

Township 2 North, Range 69 West, 6<sup>th</sup> P.M.

Section 25: All Section 36: All

2,560 acres, more or less, Boulder County, Colorado.

A reference map of the Application Lands is attached hereto.

# Request for 2,560-acre Drilling and Spacing Unit

3. On February 19, 1992, the Commission entered Order No. 407-87 which, among other things, established eighty (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 Codell and Niobrara Formations on the Application Lands.

- 4. 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. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was amended to, among other things, address drilling of horizontal wells. The August 8, 2011 amendment did not prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area. The Application Lands are within the Greater Wattenberg Area and are subject to the 460' subsurface setback for the Codell and Niobrara Formations.
- 5. The Commission records reflect that there are no horizontal wells producing from the Codell and Niobrara Formations on the Application Lands. Further, Commission records reflect that there are zero horizontal wells producing from any geologic formation underlying the Application Lands.
- 6. The Commission records reflect that there are a substantial amount of vertical and/or directional wells producing to various geologic formations underlying the Application Lands, including the Codell and Niobrara Formations. *Please see Exhibit 1 attached to this Application.* Applicant respectfully requests that such existing wells be excluded from the proposed 2,560-acre drilling and spacing unit and remain subject to each respective drilling and spacing unit, and allocation of production of proceeds, established by the Commission.
- 7. This proposed 2,560-acre drilling and spacing unit Application is filed concurrently with Applicant's Commission Rule 216 Comprehensive Drilling Plan application that contains the Application Lands.
- Applicant is pursuing a Commission Rule 216 Comprehensive 8. Drilling Plan concurrently with this Application that includes the Application Lands for numerous reasons, including but not limited to: (a) to ensure that re-entry into Boulder County, Colorado for oil and gas development is pursued in a collaborative, methodical and transparent manner, (b) to identify foreseeable oil and gas activities in a defined geographic area. (d) to facilitate discussions about potential impacts, (d) to identify measures to minimize adverse impacts to public health, safety, welfare, and the environment, including wildlife resources, from such oil and gas activities and operations. (e) to engage with local and state agencies and other stakeholders to develop a reasonable and workable Rule 216 Comprehensive Drilling Plan, and (f) to ensure Applicant's leasehold interests, and the fee and State mineral interests, in the Application Lands are protected and are included in a reasoned plan that ultimately provides for responsible oil and gas development and operations in Boulder County, Colorado. If Applicant's Rule 216 Comprehensive Drilling Plan is not approved by the Commission, Applicant requests that the Commission approve this Application

# pursuant to its authority under the Colorado Oil and Gas Conservation Act and C.R.S. §34-60-116.

- 9. To promote efficient drainage within the Codell and Niobrara Formations of the Application Lands, to protect correlative rights, to avoid waste, and to minimize surface impacts, the Commission should establish an approximate 2,560-acre drilling and spacing unit for Sections 1 and 12, Township 1 North, Range 69 West and Sections 25 and 36, Township 2 North, Range 69 West, 6<sup>th</sup> P.M., Boulder County, Colorado for the efficient and economic development and operation of the Codell and Niobrara Formations.
- 10. The above-proposed drilling and spacing unit will allow efficient drainage of the Codell and Niobrara Formations; will prevent waste; will not adversely affect correlative rights, will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs and will reduce surface impact to the Application Lands. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.
- 11. Applicant maintains that there will be no more than **five (5)** six (6) Oil and Gas Locations (as defined by the Commission 100 Series Rules) wellpads, with such locations to be determined, in accordance with Applicant's corresponding Commission Rule 216 Comprehensive Drilling Plan **or if such plan is not approved, then up to four (4) wellpads within the unit, unless an exception is granted by the Director.** six (6) Oil and Gas Locations (as defined by the Commission 100 series rules) well pads in the proposed 2,560 acre drilling and spacing unit, or adjacent thereto, unless an exception is granted by the Director.
- 12. The treated interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the unit (regardless of lease lines within the unit), and all horizontal wells shall be no closer than 150 feet from the treated interval of another well producing from the same supply within the unit, unless an exception is granted by the Director.
- 13. Applicant is requesting to drill and complete up to **fifty-six** (56) seventy-two (72) thirty-one (31) horizontal wells in the proposed approximate 2,560 acre drilling and spacing unit for the efficient and economic development of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations underlying the Application Lands.
- 14. Applicant anticipates that this portion of this Application, the request for a 2,560-acre drilling and spacing unit, will be continued to future Commission hearings in order to be heard at the same Commission hearing as the corresponding Commission Rule 216 Comprehensive Drilling Plan application filed herewith in Docket No. 170500189. or after. If Applicant's Rule 216 Comprehensive Drilling Plan is not approved by the Commission, Applicant requests that the Commission approve this Application

pursuant to its authority under the Colorado Oil and Gas Conservation Act and C.R.S. §34-60-116.

#### Request for Commission Rule 502.b. Variance to Rule 303

15. In order to facilitate a collaborative, methodical and transparent manner of developing the Application Lands under the Rule 216 Comprehensive Drilling Plan filed concurrently with this Application, Applicant requests that the Commission approve a Rule 502.b. variance to Commission Rule 303 that allows for and governs the filings of Form 2, Applications for Permit to Drill, or Form 2A's, Oil and Gas Location Assessments.

### 16. Commission Rule 502.b(1) provides:

- (1) Variances to any Commission rules, regulations, or orders may be granted in writing by the Director without a hearing upon written request by an operator to the Director, or by the Commission after hearing upon application. The operator or the applicant requesting the variance shall make a showing that it has made a good faith effort to comply, or is unable to comply with the specific requirements contained in the rules, regulations, or orders, from which it seeks a variance, including, without limitation, securing a waiver or an exception, if any, and that the requested variance will not violate the basic intent of the Oil and Gas Conservation Act.
- 17. Specifically, Applicant requests that the Commission enter a variance to the allowance of Form 2 and Form 2A filings under Commission Rule 303 by placing a temporary hold on the acceptance and processing of any Form 2's or Form 2A's for the Application Lands from any Owner (as defined by C.R.S. 34-60-103(7)), except for Applicant as part of the Rule 216 Comprehensive Drilling Plan process. The length of the requested temporary hold is until the Commission has had the opportunity to notice, hear and enter an Order on Applicant's make a determination on the corresponding Rule 216 Comprehensive Drilling Plan Application for the Application Lands, with such Rule 216 Comprehensive Drilling Plan Order including the Applicant's ability to file Form 2's and Form 2A's within a certain amount of time upon entry of the Order as part of Applicant's overall Rule 216 Comprehensive Drilling Plan.
- 18. By filing this Application with the requested variance, Applicant is making a good faith effort to ensure that the corresponding Commission Rule 216 Comprehensive Drilling Plan Application is allowed to proceed without the potential for confusion or prejudice if any Form 2's and/or Form 2A's are allowed to be filed and processed prior to the determination of Applicant's Commission Rule 216 Comprehensive Drilling Plan by any Owner (as defined by C.R.S. 34-60-103(7)) other than Applicant.

- 19. Applicant also maintains that, by approving the Rule 502.b(1) variance to Rule 303, the Commission will reduce the burden on the Commission Staff as it will prevent any unnecessary or premature Form 2 and Form 2A's from being filed without the benefit of a hearing, notice and final Order on determination of Applicant's corresponding Rule 216 Comprehensive Drilling Plan.

  20. As set forth above, Applicant maintains that any re-entry of oil and gas development in Boulder County should proceed in a collaborative, methodical and transparent manner that allows necessary stakeholders, including specifically Boulder
- 21. The requested Rule 502.b(1) variance will not violate the basic intent of the Oil and Gas Conservation Act which is to:

County, to engage in discussions about such development.

- Foster the responsible, balanced development, production, and utilization of the natural resources of oil and gas in the state of Colorado in a manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources;
- Protect the public and private interests against waste in the production and utilization of oil and gas;
- Safeguard, protect, and enforce the coequal and correlative rights of owners and producers in a common source or pool of oil and gas to the end that each such owner and producer in a common pool or source of supply of oil and gas may obtain a just and equitable share of production therefrom; and
- Plan and manage oil and gas operations in a manner that balances development with wildlife conservation in recognition of the state's obligation to protect wildlife resources and the hunting, fishing, and recreation traditions they support, which are an important part of Colorado's economy and culture. Pursuant to section 33-1-101, C.R.S., it is the policy of the state of Colorado that wildlife and their environment are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and its visitors.

### C.R.S. 34-60-102(1)(a)(I-IV) (2016).

22. Applicant anticipates that this portion of the Application, the request for a Rule 502.b. variance to Rule 303, will be noticed and heard by the Commission at the May hearing.

**15.** 2322. The undersigned certifies that copies of this **Second Amended** Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that Applicant's Rule 502.b. request for variance to Rule 303 by noticed this matter be set for hearing in May 2017, and Applicant's request for the 2,560-acre drilling and spacing unit be noticed for the September 2018 a or at a future Commission hearing, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

- A. Future hearing: Establishing an approximate 2,560-acre drilling and spacing unit for Sections 1 and 12, Township 1 North, Range 69 West and Sections 25 and 36, Township 2 North, Range 69 West, 6<sup>th</sup> P.M., Boulder County, Colorado in accordance with Applicant's corresponding Commission Rule 216 Comprehensive Drilling Plan or if such plan is not approved in accordance with C.R.S. §34-60-116.
- B. Future hearing: Allowing up to fifty-six (56) seventy-two (72) thirty-one (31) horizontal wells in the approximate 2,560-acre drilling and spacing unit for the development and operation of the Codell and Niobrara Formations in accordance with Applicant's corresponding Commission Rule 216 Comprehensive Drilling Plan or if such plan is not approved in accordance with C.R.S. §34-60-116.
- C. Future hearing: Allowing up to five (5) six (6) Oil and Gas Locations (as defined by the Commission 100 Series Rules) wellpads, with such locations to be determined, in accordance with Applicant's corresponding Commission Rule 216 Comprehensive Drilling Plan, unless an exception is granted by the Director, or if such plan is not approved then allowing up to four (4) wellpads within the unit.
- D. Future hearing: Providing that the treated interval of any horizontal well shall be no closer than 460 feet from the unit boundaries, and not less than 150 feet from the treated interval of another well within the unit, unless an exception is granted by the Director.
- E. Future hearing: Finding that the approximate 2,560-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell and Niobrara Formations in the Application Lands.
- F. May hearing: Approving a Rule 502.b. variance to Rule 303 by placing a temporary hold on accepting and processing any new Form 2, Applications for Permit to Drill, or Form 2A's, Oil and Gas Location Assessments for the Application Lands from any Owner (as defined by C.R.S. 34-60-103(7)) except Applicant as part of Applicant's corresponding Rule 216 Comprehensive Drilling Plan Application and process in Docket No. 170500189, up to and until the Commission has the opportunity to notice, hear and enter an Order on the corresponding Rule 216 Comprehensive Drilling Plan Application in Docket No. 170500189 covering the Application Lands, with such Order including the Applicant's ability to file Form 2's and Form 2A's within a certain amount of time upon entry of such Order as part of Applicant's approved Rule 216 Comprehensive

Drilling Plan. until the Commission has made a determination on the Applicant's corresponding Rule 216 Comprehensive Drilling Plan filed concurrently herewith.

**F.G.** All hearings: For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED **June 15, 2018.** March February \_\_\_\_\_, 2017

Respectfully submitted:

CRESTONE PEAK RESOURCES OPERATING

LLC

By:

Jamie L. Jost Kelsey Wasylenky Jost Energy Law, P.C. Attorneys for Applicant 1401 17<sup>th</sup> Street, Suite 370 Denver, Colorado 80202

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Applicant's Address:

Crestone Peak Resources Operating LLC ATTN: Shea Kauffman 1801 California Street, Suite 2500

Denver, Colorado 80202

## **VERIFICATION**

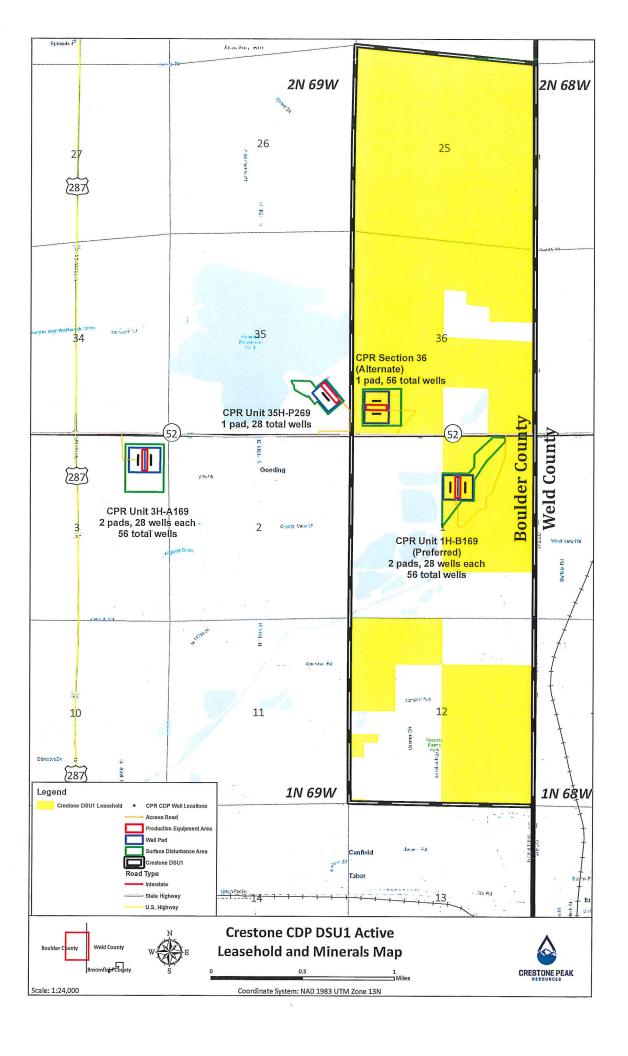
| STATE OF COLORADO   | )  |  |  |  |
|---|--|--|--|--|
| CITY AND COUNTY OF DENVER                                 | ) ss.<br>)   |  |  |  |
| is Director of Business Development and Lan               | Name: Shea Kauffman Title: Director of Business Development and Land |  |  |  |
|   | Crestone Peak Resources Operating LLC                                |  |  |  |
| Subscribed and sworn to before me this day of June, 2018. |  |  |  |  |
| Witness my hand and official seal.                        | LAURA L CUSTER Notary Public State of Colorado                       |  |  |  |
|   | otary ID # 20124081516<br>mmission Expires 04-18-2021                |  |  |  |
| My commission expires: 4 (8) 21                           |  |  |  |  |
| Bar   |  |  |  |  |

Notary Public

# Reference Map Crestone Peak Resources Operating, LLC

Sections 1 and 12, Township 1 North, Range 69 West and Sections 25 and 36, Township 2 North, Range 69 West, 6<sup>th</sup> P.M., Boulder County, Colorado

[See attached map.]



# Exhibit 1

| WELL          | 05-013-06035                            | VOAKE                        | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | WATTENBERG          | BOULDER 013                     |
|---------------|---|------------------------------|--|------------------|---------------------|---------------------------------|
|               | 200000000000000000000000000000000000000 | 1<br>OXFORD FARMS            | 10633 CRESTONE PEAK RESOURCES OPERATING LLC    | 3/7/2006<br>PR   | 90750<br>WATTENBERG | NENE 25 2N 69W 6<br>BOULDER 013 |
| WELL          | 05-013-06546                            | 21-25<br>MCDONALD            | 10633  | 2/25/2008        | 90750               | NENW 25 2N 69W 6                |
| WELL          | 05-013-06531                            | 43-25                        | CRESTONE PEAK RESOURCES OPERATING LLC<br>10633 | PR<br>2/24/2006  | WATTENBERG<br>90750 | BOULDER 013<br>NESE 25 2N 69W 6 |
| WELL          | 05-013-06543                            | CALDWELL<br>23-25            | CRESTONE PEAK RESOURCES OPERATING LLC<br>10633 | PR<br>1/11/2008  | WATTENBERG<br>90750 | BOULDER 013                     |
| WELL          | 05-013-06580                            | VOAKE                        | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | WATTENBERG          | NESW 25 2N 69W 6<br>BOULDER 013 |
| _             |   | 31-25<br>OXFORD FARMS        | 10633 CRESTONE PEAK RESOURCES OPERATING LLC    | 3/24/2009<br>PR  | 90750<br>WATTENBERG | NWNE 25 2N 69W 6<br>BOULDER 013 |
| WELL          | 05-013-08517                            | 25-Nov                       | 10633  | 1/31/2007        | 90750               | NWNW 252N 69W 6                 |
| WELL          | 05-013-06525                            | MCDONALD<br>33-25            | CRESTONE PEAK RESOURCES OPERATING LLC<br>10633 | PR<br>11/14/2006 | WATTENBERG<br>90750 | BOULDER 013<br>NWSE 25 2N 69W 6 |
| WELL          | 05-013-06501                            | CALDWELL H UNIT              | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | WATTENBERG          | BOULDER 013                     |
| WELL          | 05-013-06095                            | 13-25<br>OXFORD FARMS F UNIT | 10633 CRESTONE PEAK RESOURCES OPERATING LLC    | 1/23/2010<br>PR  | 90750<br>WATTENBERG | NWSW 25 2N 69W 6<br>BOULDER 013 |
|               |   | 1<br>MCDONALD                | 10533 CRESTONE PEAK RESOURCES OPERATING LLC    | 10/1/1991<br>PR  | 90750<br>WATTENBERG | SENW 25 2N 69W 6<br>BOULDER 013 |
| WELL          | 05-013-06047                            | 1                            | 10833  | 3/24/2004        | 90750               | SESE 25 2N 69W 6                |
| WELL          | 05-013-06054                            | CALDWELL H UNIT              | CRESTONE PEAK RESOURCES OPERATING LLC<br>10633 | PR<br>1/15/1998  | WATTENBERG<br>90750 | BOULDER 013<br>SESW 25 2N 69W 6 |
| WELL          | 05-013-06508                            | VOAKE<br>32-25               | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | WATTENBERG          | BOULDER 013                     |
| WELL          | 05-013-06516                            | VOAKE                        | 10633<br>CRESTONE PEAK RESOURCES OPERATING LLC | 2/6/2010<br>PR   | 90750<br>WATTENBERG | SWNE 25 2N 69W 6<br>BOULDER 013 |
|               |   | 42-25<br>MCDONALD            | 10833<br>CRESTONE PEAK RESOURCES OPERATING LLC | 10/1/2006<br>PR  | 90750<br>WATTENBERG | SWNE 25 2N 69W 6                |
| WELL          | 05-013-06540                            | 34-25                        | 10633  | B/13/2007        | 90750               | BOULDER 013<br>SWSE 25 2N 69W 6 |
| WELL          | 05-013-06512                            | CALDWELL<br>14-25            | CRESTONE PEAK RESOURCES OPERATING LLC<br>10833 | PR<br>1/30/2008  | WATTENBERG<br>90750 | BOULDER 013<br>SWSW 25 2N 69W 6 |
| WELL          | 05-013-06146                            | STATE AQ                     | KERR MCGEE OIL & GAS ONSHORE LP                | PR               | WATTENBERG          | BOULDER 013                     |
| WELL          | 05-013-06597                            | 1<br>DEASON                  | 47120<br>CRESTONE PEAK RESOURCES OPERATING LLC | 9/30/1982<br>PR  | 90750<br>WATTENBERG | NENE 36 2N 69W 6<br>BOULDER 013 |
| - 1900 (1900) |   | 2/4/38<br>DEASON             | 10633<br>CRESTONE PEAK RESOURCES OPERATING LLC | 2/15/2013<br>PR  | 90750<br>WATTENBERG | NENW 36 2N 69W 6<br>BOULDER 013 |
| WELL          | 05-013-06598                            | 22-36                        | 10633  | 12/14/2012       | 90750               | NENW 36 2N 69W 6                |
| WELL          | 05-013-06599                            | DEASON<br>4/2/38             | CRESTONE PEAK RESOURCES OPERATING LLC<br>10633 | PR<br>12/14/2012 | WATTENBERG<br>90750 | BOULDER 013<br>NENW 36 2N 69W 6 |
| WELL          | 05-013-08647                            | DEASON                       | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | WATTENBERG          | BOULDER 013                     |
| WELL          | 05-013-06648                            | Feb-36<br>DEASON             | 10633<br>CRESTONE PEAK RESOURCES OPERATING LLC | 2/15/2013<br>PR  | 90750<br>WATTENBERG | NENW 36 2N 69W 6<br>BOULDER 013 |
|               |   | 4/4/36<br>DEASON F UNIT      | 10633 CRESTONE PEAK RESOURCES OPERATING LLC    | 2/15/2013<br>PR  | 90750               | NENW 36 2N 69W 6                |
| WELL          | 05-013-06122                            | 1                            | 10633  | 7/29/1992        | WATTENBERG<br>90750 | BOULDER 013<br>NENW 36 2N 69W 6 |
| WELL          | 05-013-06244                            | GOODING<br>1                 | 8 NORTH LLC<br>10575                           | PR<br>11/12/2004 | WATTENBERG<br>90750 | BOULDER 013<br>NESE 36 2N 69W 6 |
| WELL          | 05-013-06352                            | BECKY MB                     | 8 NORTH LLC                                    | PR               | WATTENBERG          | BOULDER 013                     |
| WELL          | 05-013-06503                            | 36-11<br>DEASON              | 10575 CRESTONE PEAK RESOURCES OPERATING LLC    | 6/8/1993<br>PR   | 90750<br>WATTENBERG | NESW 36 2N 69W 6<br>BOULDER 013 |
|               |   | Nov-36<br>BECKY              | 10633<br>B NORTH LLC                           | 12/13/2007<br>PR | 90750               | NWNW 362N 69W 6                 |
| WELL          | 05-013-06250                            | Jun-36                       | 10576  | 8/22/1993        | WATTENBERG<br>90750 | BOULDER 013<br>NWSE 36 2N 69W 6 |
| WELL          | 05-013-06353                            | BECKY MB<br>36-12            | 8 NORTH LLC<br>10575                           | PR<br>6/15/1993  | WATTENBERG<br>90750 | BOULDER 013<br>NWSW 36 2N 69W 6 |
| WELL          | 05-013-06020                            | LUTZ                         | 8 NORTH LLC                                    | PR               | SPINDLE             | BOULDER 013                     |
| WELL          | 05-013-06240                            | 1<br>BECKY                   | 10575<br>B NORTH LLC                           | 1/8/1979<br>PR   | 77900<br>WATTENBERG | 8ENE 36 2N 69W 6<br>BOULDER 013 |
|               |   | Apr-3G<br>DEASON             | 10575 CRESTONE PEAK RESOURCES OPERATING LLC    | 5/2/1992<br>PR   | 90750<br>WATTENBERG | SESW 36 2N 69W 6                |
| WELL          | 05-013-06505                            | Dec-38                       | 10633  | 12/26/2005       | 90750               | BOULDER 013<br>SWNW 36 2N 69W 6 |
| WELL          | 05-013-06093                            | BECKY<br>Mar-36              | 8 NORTH LLC<br>10575                           | PR<br>2/1/2015   | WATTENBERG<br>90750 | BOULDER 013<br>SWSW 36 2N 69W 6 |
| WELL          | 05-013-06449                            | WHEELER 'G' UNIT             | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | WATTENBERG          | BOULDER 013                     |
| WELL          | 05-013-06500                            | 1<br>BAILEY                  | 10633 CRESTONE PEAK RESOURCES OPERATING LLC    | 3/5/1995<br>PR   | 90750<br>WATTENBERG | NENE 1 1N 69W 6<br>BOULDER 013  |
|               | LONG A PROMISSION OF SHAPE              | 43-1<br>WHEELER              | 10633<br>CRESTONE PEAK RESOURCES OPERATING LLC | 1/28/2008<br>PR  | 90750<br>WATTENBERG | NESE 1 1N 69W 6<br>BOULDER 013  |
| WELL          | 05-013-06547                            | 33-1                         | 10633  | 5/4/2011         | 90750               | NWSE 1 1N 69W 6                 |
| WELL          | 05-013-06551                            | BAILEY<br>8/8/01             | CRESTONE PEAK RESOURCES OPERATING LLC<br>10633 | PR<br>10/4/2007  | WATTENBERG<br>90750 | BOULDER 013<br>SESE 1 1N 69W 6  |
| WELL          | 05-013-06021                            | BAILEY AMOCO                 | KERR MCGEE OIL & GAS ONSHORE LP                | PR               | WATTENBERG          | BOULDER 013                     |
| WELL          | 05-013-06507                            | 1<br>WHEELER                 | 47120 CRESTONE PEAK RESOURCES OPERATING LLC    | 10/1/1998<br>PR  | 90750<br>WATTENBERG | SESW 1 1N 69W 6<br>BOULDER 013  |
|               | 200,000,000,000,000                     | 32-1<br>WHEELER              | 10633<br>CRESTONE PEAK RESOURCES OPERATING LLC | 3/9/2008<br>PR   | 90750<br>WATTENBERG | SWNE 1 1N 69W 6<br>BOULDER 013  |
| WELL          | 05-013-06537                            | 31-1                         | 10633  | 3/25/2007        | 90750               | SWNE 1 1N 69W 6                 |
| WELL          | 05-013-06550                            | BAILEY<br>21-12              | CRESTONE PEAK RESOURCES OPERATING LLC<br>10833 | PR<br>10/22/2007 | WATTENBERG<br>90750 | BOULDER 013<br>NENW 12 1N 69W 6 |
| WELL          | 05-013-06835                            | BAILEY<br>22-12              | CRESTONE PEAK RESOURCES OPERATING LLC<br>10833 | PR<br>1/12/2011  | WATTENBERG          | BOULDER 013                     |
| WELL          | 05-013-06625                            | BAILEY                       | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | 90750<br>WATTENBERG | NENW 12 1N 69W 6<br>BOULDER 013 |
|               | 77.2.730.720-73007                      | 31-12<br>BAILEY              | 10633<br>CRESTONE PEAK RESOURCES OPERATING LLC | 5/18/2011<br>PR  | 90750<br>WATTENBERG | NWNE 12 1N 69W 6<br>BOULDER 013 |
| WELL          | 05-013-06626                            | 4-0-12                       | 10633  | 1/12/2011        | 80750               | NWNE 12 1N 69W 6                |
| WELL          | 05-013-06524                            | BAILEY<br>12-Nov             | CRESTONE PEAK RESOURCES OPERATING LLC<br>10633 | PR<br>1/13/2006  | WATTENBERG<br>90750 | BOULDER 013<br>NWNW 12 1N 69W 6 |
| WELL          | 05-013-06534                            | BAILEY<br>42-12              | CRESTONE PEAK RESOURCES OPERATING LLC<br>10933 | PR<br>3/11/2008  | WATTENBERG<br>90750 | BOULDER 013                     |
| WELL          | 05-013-06533                            | BAILEY                       | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | WATTENBERG          | SENE 12 1N 69W 6<br>BOULDER 013 |
|               |   | 43-12<br>ALLAN H UNIT        | 10633 CRESTONE PEAK RESOURCES OPERATING LLC    | 5/6/2007<br>PR   | 90750<br>WATTENBERG | SENE 12 1N 69W 6<br>BOULDER 013 |
| WELL          | 05-013-06536                            | 23-12                        | 10633  | 9/5/2007         | 90750               | SESW 12 1N 69W 6                |
| WELL          | 05-013-06558                            | ALLAN H UNIT<br>24-12        | CRESTONE PEAK RESOURCES OPERATING LLC<br>10533 | PR<br>7/11/2007  | WATTENBERG<br>90760 | BOULDER 013<br>SESW 12 1N 69W 6 |
| WELL          | 05-013-06555                            | BAILEY<br>33-12              | CRESTONE PEAK RESOURCES OPERATING LLC<br>10533 | PR<br>6/2/2008   | WATTENBERG<br>90750 | BOULDER 013                     |
| WELL          | 05-013-06506                            | BAILEY                       | CRESTONE PEAK RESOURCES OPERATING LLC          | PR               | WATTENBERG          | SESW 12 1N 69W 6<br>BOULDER 013 |
| - Company     |   | 32-12<br>BAILEY F UNIT       | 10833 CRESTONE PEAK RESOURCES OPERATING LLC    | 2/10/2011<br>PR  | 90750<br>WATTENBERG | SWNE 12 1N 69W 6<br>BOULDER 013 |
| WELL          | 05-013-06199                            | 1                            | 10633  | 10/7/2015        | 90750               | SWNW 12 1N 69W 6                |
| WELL          | 05-013-06138                            | ALLAN H UNIT<br>#1           | CRESTONE PEAK RESOURCES OPERATING LLC<br>10633 | PR<br>5/5/1992   | WATTENBERG<br>90750 | BOULDER 013<br>SWSW 12 1N 69W 6 |
|               |   |                              |  |                  |                     |                                 |

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

IN THE MATTER OF THE APPLICATION OF CRESTONE PEAK RESOURCES OPERATING LLC FOR AN ORDER TO: (1) ESTABLISH AN APPROXIMATE 2,560-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 1 AND 12, TOWNSHIP 1 NORTH, RANGE 69 WEST AND SECTIONS 25 AND 36, TOWNSHIP 2 NORTH, RANGE 69 WEST, 6<sup>TH</sup> P.M. IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN, OR IF SUCH PLAN IS NOT APPROVED IN ACCORDANCE WITH C.R.S. § 34-60-116, (2) ALLOW UP TO FIFTY-SIX (56) SEVENTY-TWO (72) THIRTY-ONE (31) HORIZONTAL WELLS IN THE 2,560 ACRE DRILLING AND SPACING UNIT IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN OR IF SUCH PLAN IS NOT APPROVED **ACCORDANCE WITH C.R.S. § 34-60-116**, (3) TO APPROVE UP TO FIVE (5) SIX (6) OIL AND GAS LOCATIONS WELLPADS (LOCATIONS TO BE DETERMINED) IN ACCORDANCE WITH A CORRESPONDING COMMISSION **RULE 216 COMPREHENSIVE DRILLING PLAN** OR IF SUCH PLAN IS NOT APPROVED UP TO FOUR (4) WELLPADS WITHIN THE UNIT FOR THE DEVELOPMENT AND OPERATION OF THE CODELL AND NIOBRARA FORMATIONS. WATTENBERG FIELD, BOULDER COUNTY, COLORADO. AND (4) TO APPROVE A RULE 502.b. VARIANCE TO COMMISSION RULE 303.

CAUSE NO. 407

**DOCKET NO. 170500190** 

**TYPE: SPACING** 

# AFFIDAVIT OF MAILING FOR SECOND AMENDED APPLICATION

| STATE OF COLORADO         | )   |
|---------------------------|-----|
|                           | )ss |
| CITY AND COUNTY OF DENVER | )   |

I, Jamie L. Jost, of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for Crestone Peak Resources Operating LLC, and that on

| or before the 20 <sup>th</sup> day of June, 2018 I caused the United States Mail, postage prepaid, add this Affidavit. |  |  |  |  |
|--|--|--|--|--|
| Subscribed and sworn to before me this 15th day of June, 2018.   |  |  |  |  |
| Witness my hand and official seal.   |  |  |  |  |
| [SEAL]   | KEDDVI CDI CII   |  |  |  |
| My commission expires:   | KERRY LEBLEU NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19934018734 MY COMMISSION EXPIRES JULY 24, 2021 |  |  |  |
| Notary Public  |  |  |  |  |

#### Exhibit A

#### SP - T2N-R69W Sec 25 & 36, T1N-R69W Sec 1 & 12

Boulder Creek Farms, Inc. 720 Austin Ave., Suite 200 Erie, CO 80516

Boulder County 5201 St. Vrain Rd. Bldg. 1 Longmont, CO 80503

8 North, LLC 1120 Lincoln Street, #801 Denver, CO 80203

AGS Oil & Gas Ventures 10 Inverness Dr., Suite 150 Englewood, CO 80112

Arnold K. Pierce 6354 S. Lafayette Place Englewood, CO 80121

Axis Energy Corp. 14760 Memorial Dr., # 204 Houston, TX 77079

Blue Ridge Energy, LLC PO Box 26567 Scottsdale, AZ 85068

Blue Ridge Energy, LLC 14850 N. Scottsdale Road Scottsdale, AZ 85068

Cache Exploration, Inc. 1221 28th Avenue, #1 Greeley, CO 80631

Crestone Peak Resources Holdings, LLC 1801 California Street, Suite 2500 Denver, CO 80202

Crosswind Resource, LLC 931 South Lagoon Drive Gilbert, AZ 85233 E.O.G. Oil Company PO Box 668 Niwot, CO 80544

Edward A. Holloway 5203 W. B Street Greeley, CO 80634

Edward A. Holloway 1213 52nd Avenue Greeley, CO 80634

Hopper Oil Co. 1011 Mound Street Winfield, K 67156

J and J Energy, LLC 2851 E. Capricorn Place Chandler, AZ 85249

Jack L. Schreiber 2155 Glenfair Drive Greeley, CO 80631

Kelvin Resources, Inc. PO Box 146705 Salt Lake City UT 84114-6705

Magic Merlin Energy Investments, LLC 412 N Main Street, Suite 100 Buffalo, WY 82834

Marks Oil, Inc. 1775 Sherman Street, Suite 2990 Denver, CO 80203

Martin J. Harrington, Jr 2236 S. Jackson Street Denver, CO 80210

McCully-Chapman Exploration, Inc. 1205 Silliman Street Sealy, TX 77474 Norbert, LLC 7920 E Thompson Peak Pkwy, Suite 150 Scottsdale, AZ 85255

Rancho Partnership, Ltd. 1616 Glenarm Place, #1700 Denver, CO 80202

ResourceAcquisitionsManagement Company 240 South Elm Street Denver. CO 80246

Robert S. Pirtle PO Box 1310 Tyler, TX 75710

Robert S. Pirtle 115 E. 2nd Street Tyler, TX 75701

Target Oil & Gas 61 W Highway 92 Stearns, KY 42647

Thomas Family Limited Partnership Michael J. Thomas General Partner of Thomas Family Limited Partnership RR#3 Box 2685 Lakeside, AZ 85929

Willischild Oil & gas Corp. 621 E Street Snyder, OK 73566

8 North, LLC 1120 Lincoln Street, #801 Denver, CO 80203

E.O.G. Oil Company PO Box 668 Niwot, CO 80544

Kerr-McGee Oil & Gas Onshore LP 1201 Lake Robbins Drive The Woodlands, TX 77380

Marks Oil, Inc. 1775 Sherman Street, Suite 2990 Denver, CO 80203 Martin J. Harrington, Jr. 2236 S. Jackson Street Denver, CO 80210

Noble Energy, Inc. 1001 Noble Energy Way Houston, TX 77070

Robert S. Pirtle PO Box 1310 Tyler, TX 75710

Robert S. Pirtle 115 E. 2nd Street Tyler, TX 75701

Raisa DJ Basin I, LP 1580 Lincoln Street, Suite 1110 Denver, CO 80201

Incline, Niobrara Partners, LP 1626 Wazee Street, Suite 200-B Denver, CO 80202

Anadarko Petroleum Corporation 1099 18<sup>th</sup> Street, Suite 1800 Denver. CO 80202

Anadarko Onshore E&P LLP 1099 18<sup>th</sup> Street, Suite 1800 Denver, CO 80202

Extraction Oil & Gas, Inc. 370 17<sup>th</sup> Street, Suite 5300 Denver, CO 80202

Boulder County Parks & Open Space 5201 Saint Vrain Road Longmont, CO 80503

KimSanchez BoulderCounty POBox471 Boulder, CO 80306

Kent Kuster Colorado Department of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530 Brandon Marette Energy Liaison Colorado Parks and Wildlife Northeast Regional Office 6060 Broadway Denver, CO 80216