

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

IN THE MATTER OF AN APPLICATION BY  
CONFLUENCE DJ LLC FOR AN ORDER TO, AMONG  
OTHER THINGS, ESTABLISH AN APPROXIMATE  
800-ACRE DRILLING AND SPACING UNIT AND  
AUTHORIZE UP TO TWENTY (10) WELLS FOR  
PRODUCTION FROM THE CODELL AND NIOBRARA  
FORMATIONS, FOR SECTIONS 6, 7 AND 18,  
TOWNSHIP 1 SOUTH, RANGE 65 WEST, 6TH P.M.,  
WATTENBERG FIELD, ADAMS COUNTY,  
COLORADO

Cause No. 407

Docket No. 170900563

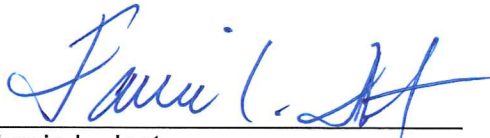
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**SUBSTITUTION OF COUNSEL**

**COMES NOW**, Jillian Fulcher, an attorney with Beatty & Wozniak, P.C., and hereby withdraws as attorney of record in the above-referenced docket and Jamie L. Jost, an attorney with Jost Energy Law, P.C., will hereafter appear in these proceedings as substitute counsel for the Applicant.

Dated this 28<sup>th</sup> day of July, 2017.

  
\_\_\_\_\_  
Jillian Fulcher  
Beatty & Wozniak, P.C.  
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\_\_\_\_\_  
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Attorney for Applicant

**CERTIFICATE OF SERVICE**

This is to certify that on the 28<sup>th</sup> day of July, 2017, the undersigned served the foregoing **SUBSTITUTION OF COUNSEL** to the following via electronic mail.

Jill Dorancy  
Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 810  
Denver, CO 80202  
[jill.dorancy@state.co.us](mailto:jill.dorancy@state.co.us)



**BEFORE THE OIL & GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO**

IN THE MATTER OF AN APPLICATION BY CONFLUENCE DJ LLC FOR AN ORDER TO, AMONG OTHER THINGS, ESTABLISH AN APPROXIMATE 800-ACRE DRILLING AND SPACING UNIT AND AUTHORIZE UP TO TEN (10) WELLS FOR PRODUCTION FROM THE CODELL AND NIOBRARA FORMATIONS, FOR CERTAIN PORTIONS OF SECTIONS 6, 7 AND 18, TOWNSHIP 1 SOUTH, RANGE 65 WEST, 6TH P.M., WATTENBERG FIELD, ADAMS COUNTY, COLORADO		Cause No. 407  Docket No.  Type: Spacing
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**APPLICATION**

Confluence DJ LLC, Operator No. 10518, ("Confluence" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to establish an approximate 800-acre drilling and spacing unit for the Application Lands (as defined below) and authorize up to ten (10) horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations. In support of its Application, Applicant states and alleges as follows:

1. Confluence DJ LLC is a limited liability company duly authorized to conduct business in the State of Colorado and has registered as an operator with the Commission.

2. Applicant is an owner in the below-listed lands:

Township 1 South, Range 65 West, 6<sup>th</sup> P.M.

Section 6: E½

Section 7: E½

Section 18: NE¼

800-acres, more or less, Adams County, Colorado.

These lands are referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

**Prior Orders**

1. On or about February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations. The Application Lands are subject to Order No.

407-87. At present, there are two existing vertical well producing within the Application Lands pursuant to Order No. 407-87 (Edna #1 Well, API No. 05-001-08482; Adam 10 'B' Unit #1 Well, API No. 05-001-09188). Applicant hereby confirms that these wells shall remain subject to applicable spacing orders of the Commission, and shall not be affected by Applicant's requested relief under this Application. Accordingly, Applicant herein requests that Order No. 407-87 be maintained as to the Application Lands. There are no horizontal wells currently producing on the Application Lands.

2. 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 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 certain aspects of this rule for horizontal wells drilled in the Niobrara and Codell Formations.

New 800-acre Drilling and Spacing Unit

3. Applicant requests the Commission establish the Application Lands as an 800-acre drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and §34-60-116(1), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Codell and Niobrara Formations.

4. Further, Applicant requests it be authorized to drill and complete two (2) horizontal wells in the drilling and spacing unit proposed for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Codell Formation, and eight (8) horizontal wells in the drilling and spacing unit proposed for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

5. Applicant requests that setbacks for the Application Lands be as follows:

a. Any horizontal wells to be drilled under this Application for production from the Codell and Niobrara Formations will be drilled from the surface of the drilling unit, or on adjacent lands with consent of the landowner, from no more than one (1) surface location, unless an exception is granted by the Director.

b. The wellbores of any horizontal wells to be drilled under this Application may enter the Codell and Niobrara Formations anywhere within the unit, or on adjacent lands, without exception being granted by the Director.

c. For any permitted wells to be drilled under this Application for production from the Codell and Niobrara Formations, the treated intervals of the wells shall be not less than 150 feet from the treated interval of another well producing from the same formation, without exception being granted by the Director.

d. For any permitted wells to be drilled under this Application for production from the Codell and Niobrara Formations, the productive interval of any permitted well shall be located no closer than 460 feet from the unit boundary.

6. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

7. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

8. The undersigned certifies that copies of this 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 this matter be set for hearing, that notice be given as required by law and that upon such hearing, the Commission enter an order:

A. Establishing an 800-acre drilling and spacing unit for the Application Lands and authorizing the drilling of up to two (2) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation, and up to eight (8) horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

B. Providing that setbacks for the Application Lands be as follows:

1. Any horizontal wells will be drilled from the surface of the drilling unit, or on adjacent lands with consent of the landowner, from no more than one (1) surface location, unless an exception is granted by the Director.

2. The wellbores of any horizontal wells may enter the Codell and Niobrara Formations anywhere within the unit, or on adjacent lands, without exception being granted by the Director.

3. The treated intervals of any horizontal wells shall be not less than 150 feet from the treated interval of another well producing from the same formation, without exception being granted by the Director.

4. The treated intervals of any horizontal wells shall be located no closer than 460 feet from the unit boundary.


C. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.

D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 13 day of July, 2017.

Respectfully submitted,

**CONFLUENCE DJ LLC**

By:   
James Parrot  
Jillian Fulcher  
Evan Bekkedahl  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
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ebekkedahl@bwenergylaw.com

Address of Applicant  
Confluence DJ LLC  
William E. Nicas  
1001 17th Street, Suite 1250  
Denver, CO 80202

VERIFICATION

STATE OF COLORADO                    )  
  ) ss.  
CITY & COUNTY OF DENVER        )

William E. Nicas, Senior Vice President of Land & Business Development for Confluence DJ LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information, and belief.


CONFLUENCE DJ LLC

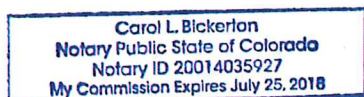


William E. Nicas

Subscribed and sworn to before me this 13<sup>th</sup> day of July, 2017,  
by William E. Nicas, Senior Vice President of Land & Business Development for  
Confluence DJ LLC.

Witness my hand and official seal.

  
Notary Public



## Exhibit A

### Reference Map for Application

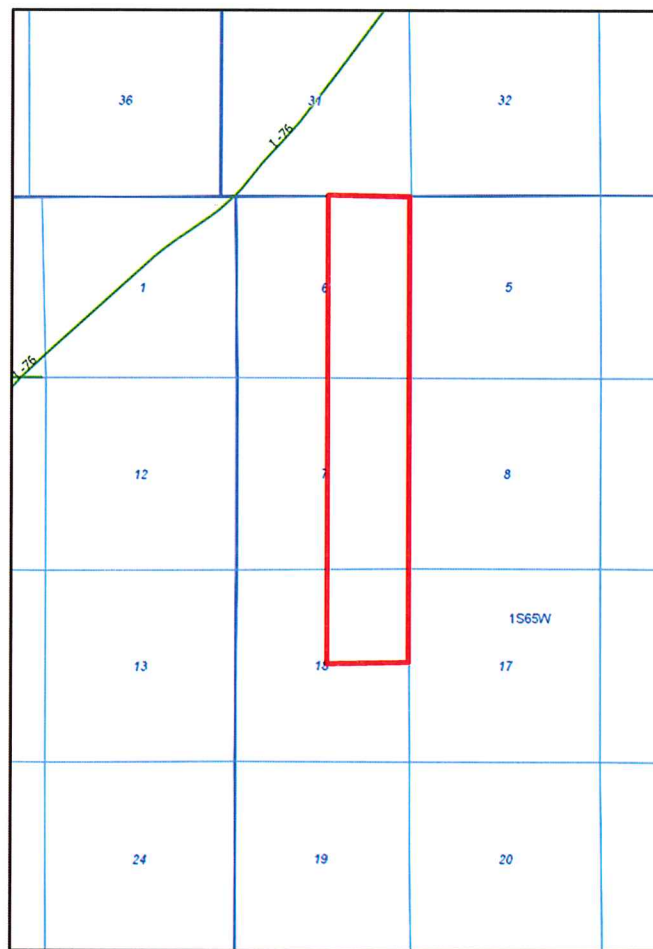
Township 1 South, Range 65 West, 6<sup>th</sup> P.M.

Section 6: E $\frac{1}{2}$

Section 7: E $\frac{1}{2}$

Section 18: NE $\frac{1}{4}$

800-acres, more or less, Adams County, Colorado




= Application Lands



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WATTENBERG FIELD, ADAMS COUNTY,  
COLORADO

Type: Spacing

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

  
Grace Go-Hoveland

**AIDA LINDA BOWLIN**  
**Notary Public**  
**State of Colorado**  
**Notary ID 19984012218**  
**My Commission Expires May 1, 2018**

Anda Linda Bowler  
Notary Public

**EXHIBIT A**

**INTERESTED PARTIES**

Brandon Marette, Energy Liaison  
Colorado Parks and Wildlife  
Northeast Region Office  
6060 Broadway  
Denver, CO 80216

Christopher LaMere  
Adams County  
4300 South Adams County Pkwy,  
Brighton, CO 80601-8218

Van-Aire Skyport Corporation  
P.O. Box 55  
Brighton, CO 80601

Kent Kuster  
Oil & Gas Consultant Coordinator  
Colorado Department of  
Public Health & Environment  
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1801 Broadway. Ste. 500  
Denver, CO 80202