

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

IN THE MATTER OF THE APPLICATION OF
SANDRIDGE EXPLORATION & PRODUCTION
LLC FOR AN ORDER ESTABLISHING ONE
APPROXIMATE 930.23-ACRE DRILLING AND
SPACING UNIT AND AUTHORIZING UP TO SIX
(6) HORIZONTAL WELLS IN THE UNIT, FOR
PORTIONS OF SECTION 6, TOWNSHIP 7
NORTH, RANGE 80 WEST, 6TH P.M. AND
SECTION 31, TOWNSHIP 8 NORTH, RANGE 80
WEST, 6TH P.M., FOR PRODUCTION FROM THE
NIOBRARA FORMATION, JACKSON COUNTY,
COLORADO

Cause No. 531

Docket No.

APPLICATION

SandRidge Exploration & Production LLC, Operator No. 10598 ("SandRidge" 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 (the "Commission") for an order establishing an approximate 930.23-acre drilling and spacing unit ("DSU") for portions of Section 6, Township 7 North, Range 80 West, 6th P.M. and Section 31, Township 8 North, Range 80 West, 6th P.M., and authorizing up to six (6) horizontal wells in the proposed DSU for production of oil, gas, and associated hydrocarbons from the Niobrara Formation. In support of its Application, Applicant states and alleges as follows:

1. Applicant 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 owns a leasehold interest in the below-listed lands:

Township 7 North, Range 80 West, 6th P.M.
Section 6: W½, W½E½ [466.23ac]

Township 8 North, Range 80 West, 6th P.M.
Section 31: W½, W½E½ [464.00ac]

930.23 acres, more or less, Jackson County, Colorado.

The above-referenced lands are referred to hereinafter as the "Application Lands." A map depicting the Application Lands is attached hereto and marked as Exhibit A.

3. Rule 318.a. of the Commission Rules provides a well to be drilled 2,500 feet or greater shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other producible oil or gas well when drilling to

the same common source of supply, unless authorized by the Commission upon hearing.

4. On July 15, 2008, the Commission entered Order No. 531-2, which, among other things, established approximate 640-acre drilling and spacing units and authorized one horizontal well in each unit for certain lands in Townships 6 and 7 North, Ranges 80 and 81 West, 6th P.M., including Section 6 of the Application Lands, with the option to drill a second horizontal well, with a bottom hole location no closer than 600 feet from the boundaries of the unit, for production of gas and associated hydrocarbons from the Niobrara Formation.

5. On May 18, 2015, the Commission entered Order No. 531-18, which, among other things, modified various Orders to allow 300 foot setbacks as to the unit boundaries of the drilling and spacing units established and/or modified by such orders, for the production of the oil, gas, and associated hydrocarbons from the Niobrara and Frontier Formations, modified various Orders to allow for 150 foot interwell setbacks, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, approved up to four horizontal wells within all approximate 480-acre and 640-acre drilling and spacing units established by various Orders for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and established four approximate 640-acre drilling and spacing units for Section 31, Township 8 North, Range 80 West, 6th P.M., and Sections 34, 35 and 36, Township 8 North, Range 81 West, 6th P.M., and approve up to four horizontal wells within each unit.

6. On March 7, 2016, the Commission entered Order No. 531-24, which, among other things, authorized the drilling of four (4) additional horizontal wells, for a total of eight (8) horizontal wells, on approximate 640-acre drilling and spacing unit established by Order No. 531-2 for Section 6 of the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

7. On April 18, 2016, the Commission entered Order No. 531-26, which, among other things, modified the setbacks established by Order No. 531-1.

8. On June 6, 2016, the Commission entered Order No. 531-27, which, among other things, authorized the drilling of four (4) additional horizontal wells, for a total of eight (8) horizontal wells, on a 640-acre drilling and spacing unit established by Order No. 531-18 for the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

9. Applicant requests the Commission establish the Application Lands as an approximate 930.23-acre DSU for the Niobrara Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed DSU 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 Niobrara Formation.

10. Applicant has spud, but not completed, four wells within the DSU established by Order No. 531-2. One of the four wells falls outside the Application Lands (E½E½ of Section 6, Township 7 North, Range 80 West, 6th P.M.) (Marr 0780 7-6H Well) and three fall within the Application Lands (W½ and W½E½ of Section 6, Township 7 North, Range 80 West, 6th P.M.):

<u>Well Name</u>	<u>API No.</u>	<u>Operator</u>
Marr 0780 1-6H	05-057-06558	Applicant
Marr 0780 3-6H	05-057-06557	Applicant
Marr 0780 5-6H	05-057-06575	Applicant

11. Applicant states that, upon approval of the 930.23-acre DSU requested herein, Applicant will file sundries with the COGCC requesting that the Marr 0780 1-6H Well, the Marr 0780 3-6H Well and the Marr 0780 5-6H Well be made part of the 930.23-acre drilling and spacing unit established for the Application Lands. Concurrently with this Application, Applicant has requested an order establishing an approximate 320.28-acre drilling and spacing unit for the E½E½ of Section 6, Township 7 North, Range 80 West, 6th P.M. and the E½E½ of Section 31, Township 8 North, Range 80 West, 6th P.M., and requested that the well falling outside the Application Lands (Marr 0780 7-6H Well) be made part of the 320.28-acre unit. Accordingly, Applicant requests that Order No. 531-2 be vacated as to Section 6, Township 7 North, Range 80 West, 6th P.M. so as to, among other things, establish an approximate 930.23-acre drilling and spacing unit for the Application Lands.

12. Applicant states the 640-acre exploratory drilling unit established by Order No. 531-18 for Section 31, Township 8 North, Range 80 West, 6th P.M., does not currently have any wells spud or producing from any formation, and requests that Order No. 531-18 be vacated as to Section 31, Township 8 North, Range 80 West, 6th P.M., so as to establish the 930.23-acre drilling and spacing unit proposed for the Application Lands.

13. Applicant requests it be authorized to drill and complete up to six (6) horizontal wells in the proposed DSU, 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.

14. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbores should be not less than 100 feet from the north and south boundaries of the DSU, not less than 300 feet from the east and west boundaries of the DSU, and not less than 150 feet from the treated interval of another well producing from the same formation, unless an exception is granted by the Director.

15. 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.

16. 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.

17. Applicant will submit a certificate of service for the Application within the seven days 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 this Commission enter its order:

A. Vacating Order No. 531-18, as to Section 31, Township 8 North, Range 80 West, 6th P.M., and vacating Order No. 531-2 as to Section 6, Township 7 North, Range 80 West, 6th P.M.

B. Establishing an approximate 930.23-acre DSU for the Application Lands, and authorizing the drilling of up to six (6) horizontal wells within the DSU, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, from no more than two well pads, with the treated intervals of the wellbores to be not less than 100 feet from the north and south boundaries of the DSU, not less than 300 feet from the east and west boundaries of the DSU, and not less than 150 feet from the treated interval of a well producing from the Niobrara Formation, unless an exception is granted by the Director.

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 14th day of July, 2017.

Respectfully submitted,

**SANDRIDGE EXPLORATION &
PRODUCTION LLC**

By: _____

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Jillian Fulcher
Evan Bekkedahl
Beatty & Wozniak, P.C.
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Address of Applicant
SandRidge Exploration &
Production LLC
123 Robert S. Kerr Ave.
Oklahoma City, OK 73102

VERIFICATION

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Richard Silman, Landman for SandRidge Exploration & Production 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.

SANDRIDGE EXPLORATION & PRODUCTION LLC



Richard Silman
Landman

Subscribed and sworn before me this 14th day of July, 2017,
by Richard Silman, Landman for SandRidge Exploration & Production LLC.

Witness my hand and official seal.

My commission expires: 8/13/18



NOTARY PUBLIC

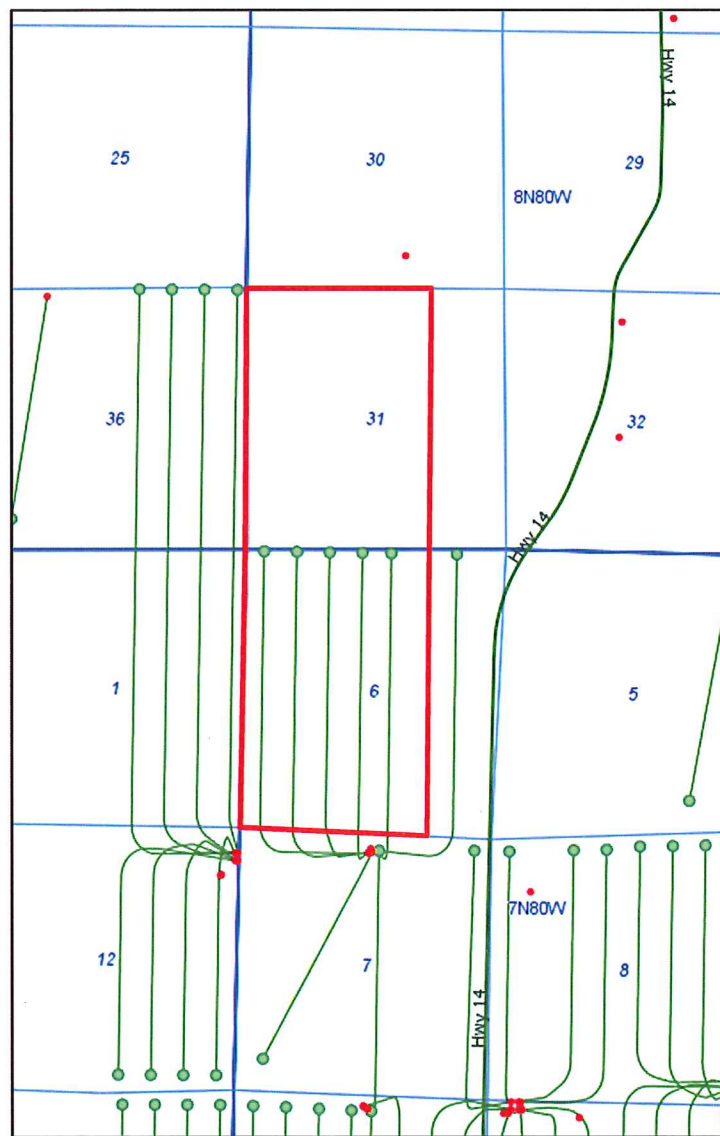


Exhibit A
Reference Map of the Application Lands

Township 7 North, Range 80 West, 6th P.M.
Section 6: $W\frac{1}{2}$, $W\frac{1}{2}E\frac{1}{2}$ [466.23ac]

Township 8 North, Range 80 West, 6th P.M.
Section 31: $W\frac{1}{2}$, $W\frac{1}{2}E\frac{1}{2}$ [464.00ac]

930.23 acres, more or less, Jackson County, Colorado.




= Application Lands

IN THE MATTER OF THE APPLICATION OF SANDRIDGE EXPLORATION & PRODUCTION LLC FOR AN ORDER ESTABLISHING ONE APPROXIMATE 930.23-ACRE DRILLING AND SPACING UNIT AND AUTHORIZING UP TO SIX (6) HORIZONTAL WELLS IN THE UNIT, FOR PORTIONS OF SECTION 6, TOWNSHIP 7 NORTH, RANGE 80 WEST, 6TH P.M. AND SECTION 31, TOWNSHIP 8 NORTH, RANGE 80 WEST, 6TH P.M., FOR PRODUCTION FROM THE NIOBRARA FORMATION, JACKSON COUNTY, COLORADO

Docket No. 170900625

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

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for SandRidge Exploration & Production LLC, and on or before the 20th day of July, 2017 caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A attached hereto.


Grace Go-Hoveland

Subscribed and sworn to before me this 21st day of July, 2017.

Aida Linda Bowlin
Notary Public

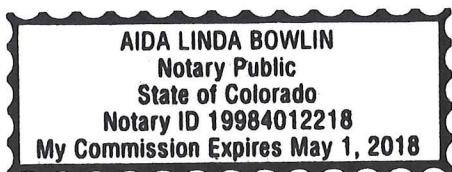


EXHIBIT A
INTERESTED PARTIES

Wm Kent Crowder
Jackson County Administrator
PO Box 1019
Walden, CO 80480

Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of
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BLM Colorado State Office
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Lakewood, CO 80215

Michael Warren
Energy Liaison
Colorado Parks and Wildlife
Northwest Regional Office
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