

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

IN THE MATTER OF THE **SECOND**
AMENDED APPLICATION OF FIFTH CREEK
ENERGY OPERATING COMPANY, LLC FOR
AN ORDER TO AMEND ORDER NO. 421-83
**TO INCLUDE THE FORT HAYS, CODELL
AND CARLILE FORMATIONS, AND TO**
AUTHORIZE SIX (6) NEW HORIZONTAL
WELLS IN AN APPROXIMATE 1,280-ACRE
DRILLING AND SPACING UNIT
ESTABLISHED FOR SECTIONS 20 AND 29,
TOWNSHIP 11 NORTH, RANGE 62 WEST,
6TH P.M., HEREFORD FIELD, WELD
COUNTY, COLORADO, FOR THE
DEVELOPMENT AND OPERATION OF THE
CODELL, FORT HAYS AND CARLILE
FORMATIONS, AND TO ALLOW FOR 300-
FOOT SETBACKS FROM THE BOUNDARIES
OF THE UNIT.

CAUSE NO. 421

DOCKET NO. 171000668

TYPE: SPACING

SECOND AMENDED APPLICATION

COMES NOW Fifth Creek Energy Operating Company, LLC (Operator No. 10629) ("Applicant"), by and through its attorneys, Jost Energy Law, P.C., and respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to amend Order No. 421-83 **to include the Fort Hays, Codell and Carlile Formations and** to authorize up to six (6) new horizontal wells in an approximate 1,280-acre drilling and spacing unit established for Sections 20 and 29, Township 11 North, Range 62 West, 6th P.M., **for the development of the Fort Hays, Codell and Carlile Formations**, and to provide for 300-foot reduced setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit, for the efficient and economic development of oil, gas and associated hydrocarbons from the Codell, Fort Hays and Carlile Formations underlying the below-described lands. 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 is a registered operator in good standing with the Commission.
2. Applicant owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 11 North, Range 62 West, 6th P.M.
Section 20: All

Section 29: All

1,280 acres, more or less, Weld County, Colorado

A reference map of the Application Lands is attached hereto.

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. No Commission Orders apply to the Codell, Fort Hays or Carlile Formations for the Application Lands.

5. On February 22, 2010 (corrected January 19, 2012), the Commission entered into Order No. 421-1 which, among other things, established 58 approximate 640-acre drilling and spacing units for certain lands, including DSU #1, DSU #2, DSU #3, DSU #4, DSU #5, and DSU #6 on the Application Lands, and approved one horizontal well within each unit, for the development and operation of the Niobrara Formation, with the productive interval of the wellbore to be located no closer than 600 feet from the unit boundaries, without exception being granted by the Director.

6. On January 7, 2013, the Commission entered Order No. 421-27 which, among other things, vacated two approximate 640-acre drilling and spacing units established by Order 421-1 for Sections 17 and 20, Township 11 North, Range 62 West, 6th P.M., and established one approximate 1280-acre stand-up exploratory drilling and spacing unit for Sections 17 and 20, Township 11 North, Range 62 West, 6th P.M., approving up to ten wells within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the bottomhole locations not less than 600 feet from the boundary of the proposed drilling unit and not less than 460 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

7. On January 30, 2017, the Commission entered Order No. 421-83 which, among other things, established six approximate 1,280-acre drilling and spacing units, including the Application Lands, providing that the existing 640-acre units for the production of the existing wells shall be maintained only until the date of first completion of the new horizontal well into the unit, and approved up to eight new horizontal wells in each approximate 1,280-acre drilling and spacing unit, providing that the productive interval of each wellbore shall be located no closer than 300 feet from the boundaries of the unit and no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

8. On ~~September 11~~ **October 30**, 2017, the Commission ~~approved Fifth Creek's Application in Docket No. 170900544 (Order No. Pending)~~ entered **Order No. 535-869** which, among other things, approved an additional seven (7) horizontal wells, for a total of fifteen (15) horizontal wells, in six established 1,280-acre units, including the Application Lands, and required that the productive interval of each additional proposed horizontal well in each approximate 1,280-acre drilling and spacing unit shall be no closer than 300 feet from the boundaries of the unit (regardless of the lease lines within the unit) and all horizontal wells shall be no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director, and providing that the wells will be drilled from no more than five well pads, including the existing wellpads, in each of the six drilling and spacing units to be located within such unit or adjacent thereto, unless an exception is granted by the Director, consistent with Order No. 421-83.

9. The records of the Commission reflect that no wells are currently producing in the Codell, Niobrara, Fort Hays or Carlile Formations on the Application Lands.

10. To promote efficient drainage of the Codell, Fort Hays and Carlile Formations within the Application Lands, to protect correlative rights and to avoid waste, the Commission should amend Order No. 421-83 **to include the Fort Hays, Codell and Carlile Formations** and to allow up to six (6) new horizontal wells within the 1,280-acre drilling and spacing unit established for the Application Lands for the production, development and operation of oil, gas and associated hydrocarbons from the Codell, Fort Hays and Carlile Formations on the Application Lands.

11. Applicant maintains that there will be no more than ~~a total of five (5)~~ **four (4) new** well pads in the drilling and spacing unit to be located within such 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 300 feet from the boundaries of the unit (regardless of the 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 source of supply within the unit, unless an exception is granted by the Director.

13. 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 in ~~October 2017~~ **January 2018**, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Amending Order No. 421-83 for Sections 20 and 29, Township 11 North, Range 62 West, 6th P.M., **to include the Fort Hays, Codell and Carlile Formations**

and to allow up to six (6) new horizontal wells in the unit in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from the Codell, Fort Hays and Carlile Formations in the established drilling and spacing unit.

B. Providing that the treated interval any horizontal well in the unit shall be no closer than 300 feet from the boundaries of the unit and not less than 150 feet from the treated interval of another well within the unit, and authorizing up to ~~a total of (5)~~ **four (4) new** well pads in the unit, unless an exception is granted by the Director.

C. Finding that the amendment of Order No. 421-83 for the development of the Codell, Fort Hays and Carlile Formations on the Application Lands, with the requested number of wells and the requested boundary setbacks, will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell, Fort Hays and Carlile Formations on the Application Lands.


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

DATED November 27, 2017.

Respectfully submitted:

FIFTH CREEK ENERGY OPERATING COMPANY, LLC

By:



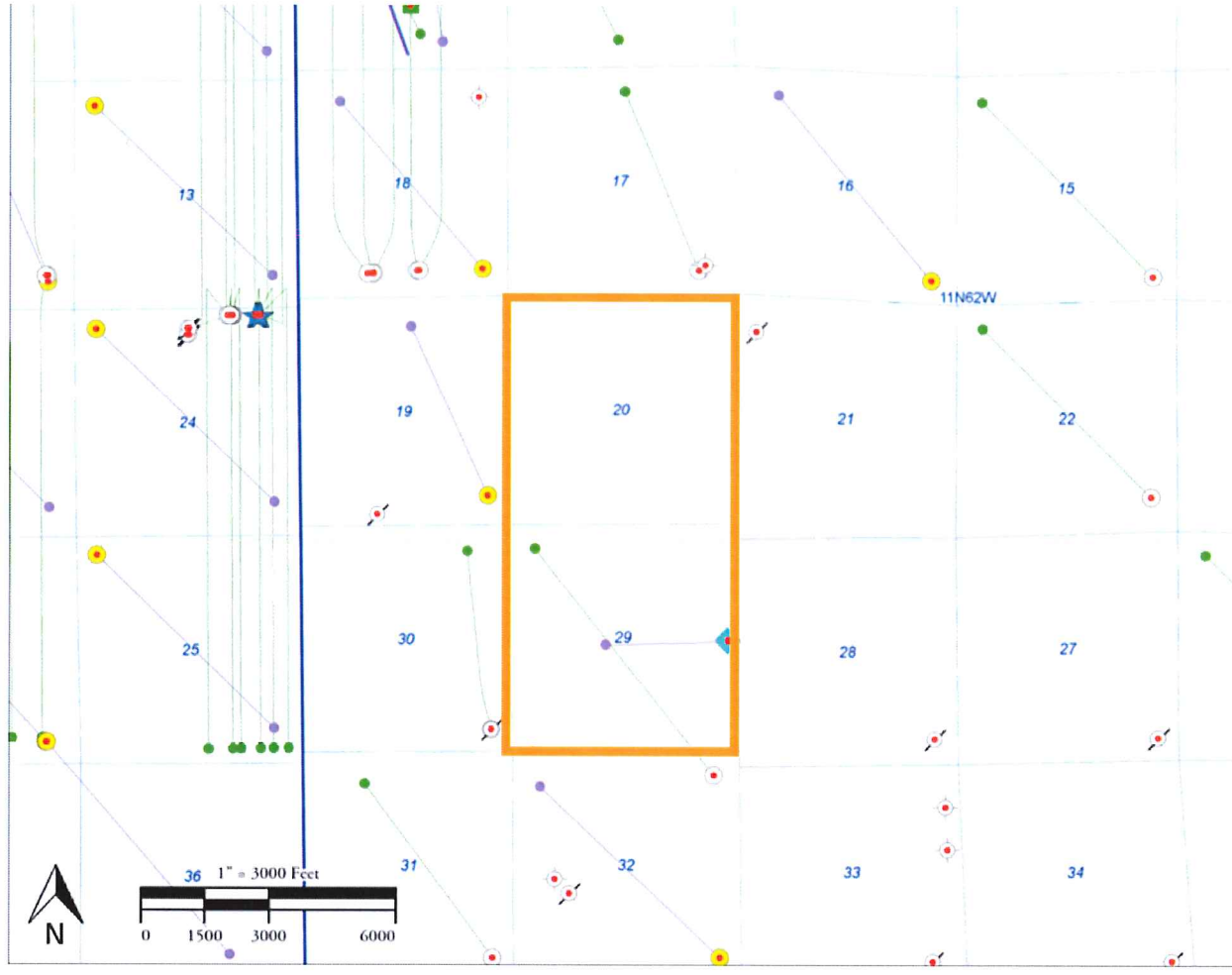
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Applicant's Address:

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Reference Map
Fifth Creek Energy, Inc.

Sections 20 and 29, Township 11 North, Range 62 West, 6th P.M.



VERIFICATION

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

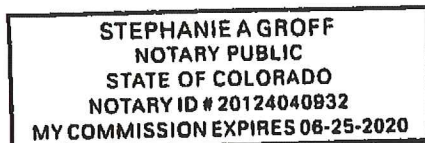
Cody Truitt, of lawful age, being first duly sworn upon oath, deposes and says that he is the Vice President of Engineering for Fifth Creek Energy Operating Company, LLC and that he has read the foregoing Amended Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Cody Truitt
Vice President – Engineering
Fifth Creek Energy Operating Company, LLC


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

Witness my hand and official seal.

[SEAL]



My commission expires: June 25, 2020


Notary Public