

**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 TO ESTABLISH ONE
APPROXIMATE 640-ACRE DRILLING AND
SPACING UNIT AND AUTHORIZE UP TO EIGHT
(8) HORIZONTAL WELLS IN THE UNIT, FOR
PORTIONS OF SECTIONS 12 AND 13,
TOWNSHIP 7 NORTH, RANGE 81 WEST, 6TH
P.M., FOR PRODUCTION FROM THE NIOBRARA
FORMATION, JACKSON COUNTY, COLORADO

Cause No. 531

Docket No. To be assigned

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 640-acre drilling and spacing unit ("DSU") for portions of Sections 12 and 13, Township 7 North, Range 81 West, 6th P.M., and authorizing up to eight (8) 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 is an Owner in the below-listed lands:

Township 7 North, Range 81 West, 6th P.M.

Section 12: W½

Section 13: W½

640 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 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 Order No. 531-2 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 September 14, 2015, the Commission entered Order No. 531-21, which, among other things, modified Order Nos. 531-2, only as to Section 13 of the Application Lands, to allow 300 foot setbacks as to the unit boundaries, modified Order Nos. 531-2, only as to Section 13 of the Application Lands, to allow for 150 foot interwell setbacks, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and approved up to four horizontal wells within the approximate 640-acre drilling and spacing units established by Order Nos. 531-2, only as to Section 13 of the Application Lands, for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

7. On June 6, 2016, the Commission entered Order No. 531-28, which, among other things, authorized the drilling of four (4) additional horizontal wells, for a total of eight (8) horizontal wells, in each of two approximate 640-acre drilling and spacing units established by Order No. 531-2 for the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

8. On October 24, 2016, the Commission entered Order No. 531-41, which, among other things, modified the setbacks in Order No. 531-21 to provide that the productive intervals of any wellbore shall be no closer than 100 feet from the northern and southern boundaries of the approximate 640-acre drilling and spacing unit established by Order No. 531-2 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 640-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. One of the DSUs established by Order No. 531-2 (Section 13, Township 7 North, Range 81 West, 6th P.M.) contains one well that is currently producing from the Niobrara Formation:

<u>Well Name</u>	<u>API No.</u>	<u>Operator</u>
Coalmont #3-13H	05-057-06508	Applicant

11. Applicant requests that production from the Coalmont #3-13H Well continue to be allocated on a 640-acre unit basis pursuant to Order No. 531-2. Accordingly, Applicant requests that the Coalmont #3-13H Well be excluded from the 640-acre DSU proposed herein. Applicant requests that the Commission amend, modify or vacate Order No. 531-2 as it deems fit so as to conform with Applicant's request that no additional wells are drilled pursuant to Order No. 531-2 in the Application Lands, that the Coalmont #3-13H Well remain the only well drilled pursuant to Order No. 531-2 in the Application Lands, and production from the Coalmont #3-13H Well continue to be allocated on a 640-acre basis.

12. Applicant requests it be authorized to drill and complete up to eight (8) 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.

13. 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.

14. 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.

15. 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.

16. 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. Establishing an approximate 640-acre DSU for the Application Lands, and authorizing the drilling of up to eight (8) horizontal wells within the proposed 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.

B. Amending, modifying or vacating the 640-acre exploratory drilling unit established by Order No. 531-2, only as to Section 13, Township 7 North, Range 81 West, 6th P.M., so as to ensure no additional wells are drilled pursuant to Order No. 531-2 in the Application Lands, that Coalmont #3-13H Well remain the only well drilled pursuant to Order No. 531-2 in the Application Lands, and production from the Coalmont #3-13H Well continue to be allocated on a 640-acre basis.

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 31 day of August, 2017.

Respectfully submitted,

**SANDRIDGE EXPLORATION &
PRODUCTION LLC**

By: 

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Jillian Fulcher
Evan Bekkedahl
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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 _____ day of _____, 2017,
by Richard Silman, Landman for SandRidge Exploration & Production LLC.

Witness my hand and official seal.

My commission expires: _____

NOTARY PUBLIC

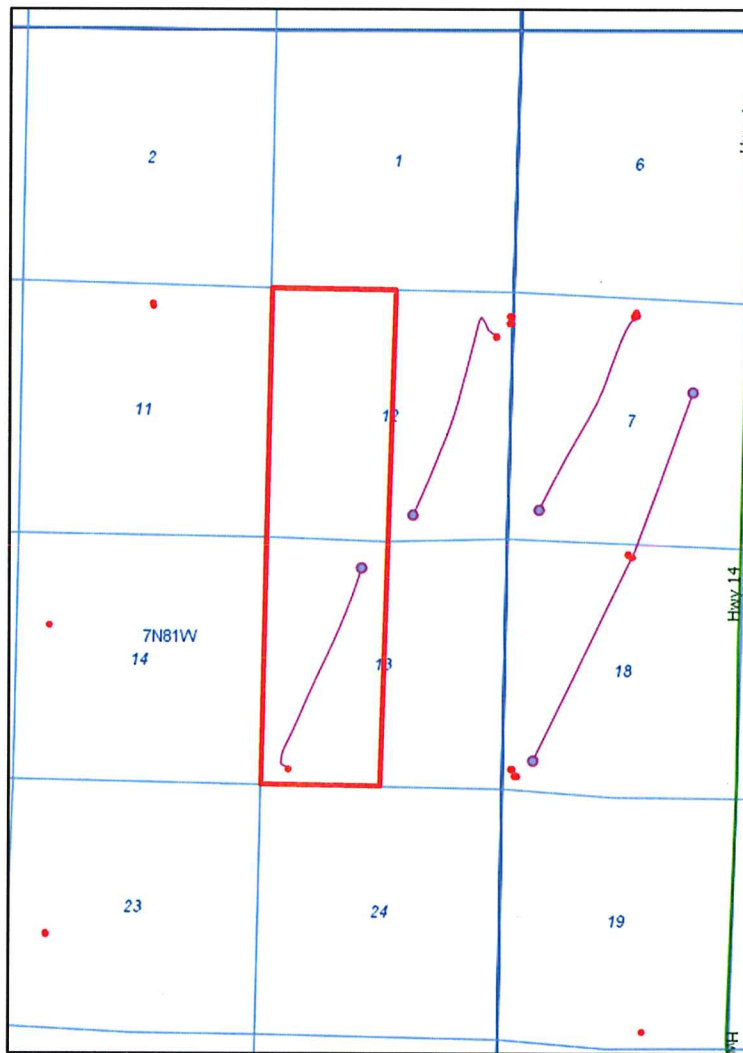
Exhibit A
Reference Map of the Application Lands

Township 7 North, Range 81 West, 6th P.M.

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

Section 13: W $\frac{1}{2}$

640 acres, more or less, Jackson County, Colorado



 = Application Lands

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Docket No. 171000761

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 7th day of September, 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 11th day of September, 2017.

Notary Public

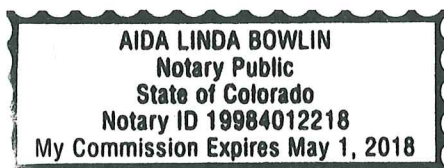


EXHIBIT A

INTERESTED PARTIES

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

Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

BLM Colorado State Office
2850 Youngfield St.
Lakewood, CO 80215

Michael Warren
Energy Liaison
Colorado Parks and Wildlife
Northwest Regional Office
711 Independent Avenue
Grand Junction, CO 81505

SandRidge Exploration & Production LLC
123 Robert S. Kerr Ave.
Oklahoma City, OK 73102

Petroleum Land Services, Inc.
471 Seasons Drive
Grand Junction, CO 81507

Old Colorado Ranch LLC
471 Seasons Drive
Grand Junction, CO 81507

Colorado State Land Board
1127 Sherman St.
Denver, CO 80203