

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

IN THE MATTER OF THE APPLICATION OF  
GREAT WESTERN OPERATING COMPANY,  
LLC FOR AN ORDER TO AMEND ORDER  
NOS. 407-1824 AND 407-1880 TO ADD THE  
GREENHORN FORMATION TO AN  
APPROXIMATE 1,120-ACRE DRILLING AND  
SPACING UNIT ESTABLISHED FOR  
SECTIONS 25 AND 26, TOWNSHIP 6 NORTH,  
RANGE 67 WEST, 6TH P.M., WATTENBERG  
FIELD, WELD COUNTY, COLORADO, WITH  
WELL LOCATION RULES FOR THE  
DEVELOPMENT AND OPERATION OF THE  
CODELL, NIOBRARA AND GREENHORN  
FORMATIONS.

CAUSE NO. 407

DOCKET NO. 171200\_\_\_\_

TYPE: SPACING & EXCEPTION  
LOCATION

**APPLICATION**

Great Western Operating Company, LLC (Operator No. 10110) ("Applicant"), by and through its attorneys, Jost Energy Law, P.C., 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. 407-1824 to add the Greenhorn Formation to an approximate 1,120-acre drilling and spacing unit established for the below-described Application Lands, and to amend Order No. 407-1880 to add the Greenhorn Formation to the reduced subsurface setbacks approved for the below-described Application Lands, for the development and operation of the Codell, Niobrara and Greenhorn Formations. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly organized and authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.

2. Applicant is an "Owner" as defined by the Oil and Gas Conservation Act as it owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 6 North, Range 67 West, 6<sup>th</sup> P.M.

Section 25: All

Section 26: E $\frac{1}{2}$ ; E $\frac{1}{2}$ W $\frac{1}{2}$

1,120 acres, more or less, Weld County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On 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 and Niobrara Formations, with permitted well locations in accordance with the provisions of Order No. 407-1.

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 but did not prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area. The lands encompassing the Application Lands are subject to Rule 318A for many of the wells drilled and producing in the Codell and Niobrara Formations.

5. On October 24, 2016, the Commission entered Order No. 407-1824 which, among other things, established an approximate 1,120-acre drilling and spacing unit for the Application Lands, and approved up to 21 horizontal wells for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, providing that the productive interval of the wellbore of each well shall be no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located within the unit, unless an exception is granted by the Director, and providing that the wells shall be drilled from no more than two well pads, unless an exception is granted by the Director.

6. On January 30, 2017, the Commission entered Order No. 407-1880 which, among other things, modified the setbacks for the approximate 1,120-acre drilling and spacing unit established by Order No. 407-1824 for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations, such that the productive interval of any permitted well within the unit be no less than 460 feet from the northern, southern and western boundaries of the unit, and no less than 150 feet from the eastern boundary of the unit, without exception being granted by the Director.

7. On March 20, 2017, the Commission entered Order No. 407-1915 which, among other things, pooled all interests within the approximate 1,120-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, and subjected any non-consenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of certain defined "Kodak North" and "Kodak South" wells.

8. To promote efficient drainage within the Codell, Niobrara and Greenhorn Formations of the Application Lands, to protect correlative rights and to avoid waste, the

Commission should amend Order Nos. 407-1824 and 407-1880 to add the Greenhorn Formation to the approximate 1,120-acre drilling and spacing unit established for the Application Lands and to add the Greenhorn Formation to the subsurface setbacks approved for the Application Lands for the efficient and economic production, development and operation of the Niobrara, Codell and Greenhorn Formations on the Application Lands.

9. Amending Order Nos. 407-1824 and 407-1880 to add the Greenhorn Formation to the established drilling and spacing unit and approved reduced subsurface setbacks will allow efficient drainage of the Codell, Niobrara and Greenhorn Formations; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs.

10. The Applicant maintains that there will be no more than two (2) new well pads in the unit, unless an exception is granted by the Director, consistent with Order No. 407-1824.

11. The undersigned certifies that copies of this Application will be served on each interested party 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 on December 11, 2017, that notice be given as required by law, and that upon such hearing this Commission enter its order:

A. Amending Order No. 407-1824 to add the Greenhorn Formation to an approximate 1,120-acre drilling and spacing unit established for Sections 25 and the E $\frac{1}{2}$  and E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 26, Township 6 North, Range 67 West, 6<sup>th</sup> P.M., in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from of the Codell, Niobrara and Greenhorn Formations in the unit.

B. Amending Order No. 407-1880 to provide that the treated interval any horizontal well in the Greenhorn Formation shall be no closer than 460 feet from the northern, southern and western boundaries of the unit and 150 feet from the eastern boundary of the unit, and not less than 150 feet from the treated interval of another well within the unit.

C. Authorizing up to two (2) well pads in the unit or adjacent thereto, unless an exception is granted by the Director, consistent with Order No. 407-1824.

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

DATED October 27<sup>th</sup>, 2017.

Respectfully submitted:

**Great Western Operating Company, LLC**

By: 

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Jamie L. Jost  
Kelsey H. Wasylenky  
Jost Energy Law, P.C.  
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Applicant's Address:

Great Western Operating Company, LLC  
ATTN: Michael Tucker  
1801 Broadway, Suite 500  
Denver, CO 80202

## VERIFICATION

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

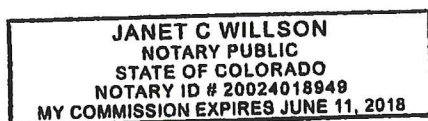
Michael Tucker, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for Great Western Operating Company, LLC, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

  
Michael Tucker  
Senior Landman  
Great Western Operating Company, LLC

Subscribed and sworn to before me this 26<sup>th</sup> day of October, 2017.

Witness my hand and official seal.

[SEAL]



My commission expires: 6/1/2018

And C. Wilson  
Notary Public

Sections 25 and 26, Township 6 North, Range 67 West, 6<sup>th</sup> P.M.

