

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

IN THE MATTER OF AN APPLICATION BY  
ENERPLUS RESOURCES (USA) CORPORATION  
FOR AN ORDER TO, AMONG OTHER THINGS,  
ESTABLISH AN APPROXIMATE 1,280-ACRE  
DRILLING AND SPACING UNIT AND AUTHORIZE UP  
TO EIGHT (8) HORIZONTAL WELLS FOR  
PRODUCTION FROM THE FORT HAYES, CARLILE,  
CODELL AND NIOBRARA FORMATIONS, FOR  
SECTION 3, TOWNSHIP 7 NORTH, RANGE 67  
WEST, 6TH P.M., WATTENBERG FIELD, WELD  
COUNTY, COLORADO AND SECTION 34,  
TOWNSHIP 8 NORTH, RANGE 67 WEST, 6TH P.M.,  
UNNAMED FIELD, WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. *To be  
assigned*

TYPE: SPACING

**APPLICATION**

Enerplus Resources (USA) Corporation, Operator No. 10177 ("Enerplus" 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 to, among other things, establish an approximate 1,280-acre drilling and spacing unit for Section 3, Township 7 North, Range 67 West, 6th P.M. and Section 34, Township 8 North, Range 67 West, 6th P.M., and authorize the drilling of up to eight (8) horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the Fort Hayes, Carlile, Codell and Niobrara Formations. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation 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 67 West, 6th P.M.  
Section 3: All

Township 8 North, Range 67 West, 6th P.M.  
Section 34: All

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

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

3. The records of the Commission indicate that there are no horizontal wells currently producing from the Fort Hayes, Carlile, Codell and Niobrara Formations underlying the Application Lands.

4. 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. A portion of the Application Lands is subject to this rule for the Fort Hayes, Carlile, Codell and Niobrara Formations.

5. 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 Codell and Niobrara Formations. There are no other specific Commission Orders applicable to the Fort Hayes, Carlile, Codell and Niobrara Formations underlying the Application Lands.

6. Applicant requests the Commission establish the Application Lands as an approximate 1,280-acre drilling and spacing unit for the Fort Hayes, Carlile, Codell and Niobrara Formations pursuant to Rule 503.b.(1) and §34-60-116(2), 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 Fort Hayes, Carlile, Codell and Niobrara Formations.

7. Further, Applicant requests it be authorized to drill and complete up to six (6) 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 up to 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 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.

8. Applicant states that it is not targeting the Fort Hayes or Carlile Formations as part of its planned drilling program. However, due to the proximity of the Fort Hayes and Carlile Formations to the Codell Formation, it may be encountered during drilling and is hereby included in this Application.

9. 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 Fort Hayes, Carlile, 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 two (2) surface locations, unless an exception is granted by the Director.

b. The wellbores of any horizontal wells to be drilled under this Application may enter the Fort Hayes, Carlile, 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 Fort Hayes, Carlile, 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 Fort Hayes, Carlile, Codell and Niobrara Formations, the productive interval of any permitted well shall be located no closer than 600 feet from the unit boundary.

10. 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.

11. 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.

12. 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 a 1,280-acre drilling and spacing unit for the Application Lands and authorizing the drilling of up to six (6) horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the Codell Formation, and up to two (2) 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 two (2) surface locations, unless an exception is granted by the Director.

2. The wellbores of any horizontal wells may enter the Fort Hayes, Carlile, 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 600 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 30 day of November, 2017.

Respectfully submitted,

**ENERPLUS RESOURCES (USA) CORPORATION**

By: Jobediah J. Rittenhouse  
Jillian Fulcher  
James P. Parrot  
Jobediah J. Rittenhouse  
Beatty & Wozniak, P.C.  
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jparrot@bwenergylaw.com  
jrittenhouse@bwenergylaw.com

Applicant's Address:

Enerplus Resources (USA) Corporation  
Sean Gallagher, Senior Landman  
950 17th Street, Suite 2200  
Denver, Colorado 80202

## VERIFICATION

STATE OF COLORADO

)


) ss.

CITY &amp; COUNTY OF DENVER

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Sean Gallagher, Senior Landman for Enerplus Resources (USA) Corporation, 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.

ENERPLUS RESOURCES (USA)  
CORPORATION

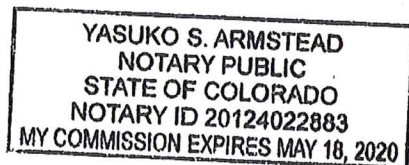
  
Sean Gallagher

Subscribed and sworn to before me this 29<sup>th</sup> day of November, 2017, by Sean Gallagher, Senior Landman for Enerplus Resources (USA) Corporation.

Witness my hand and official seal.

My commission expires: 5/0/2020

Joshua A. Cantale  
Notary Public



## EXHIBIT A

### Reference Map for Spacing Application

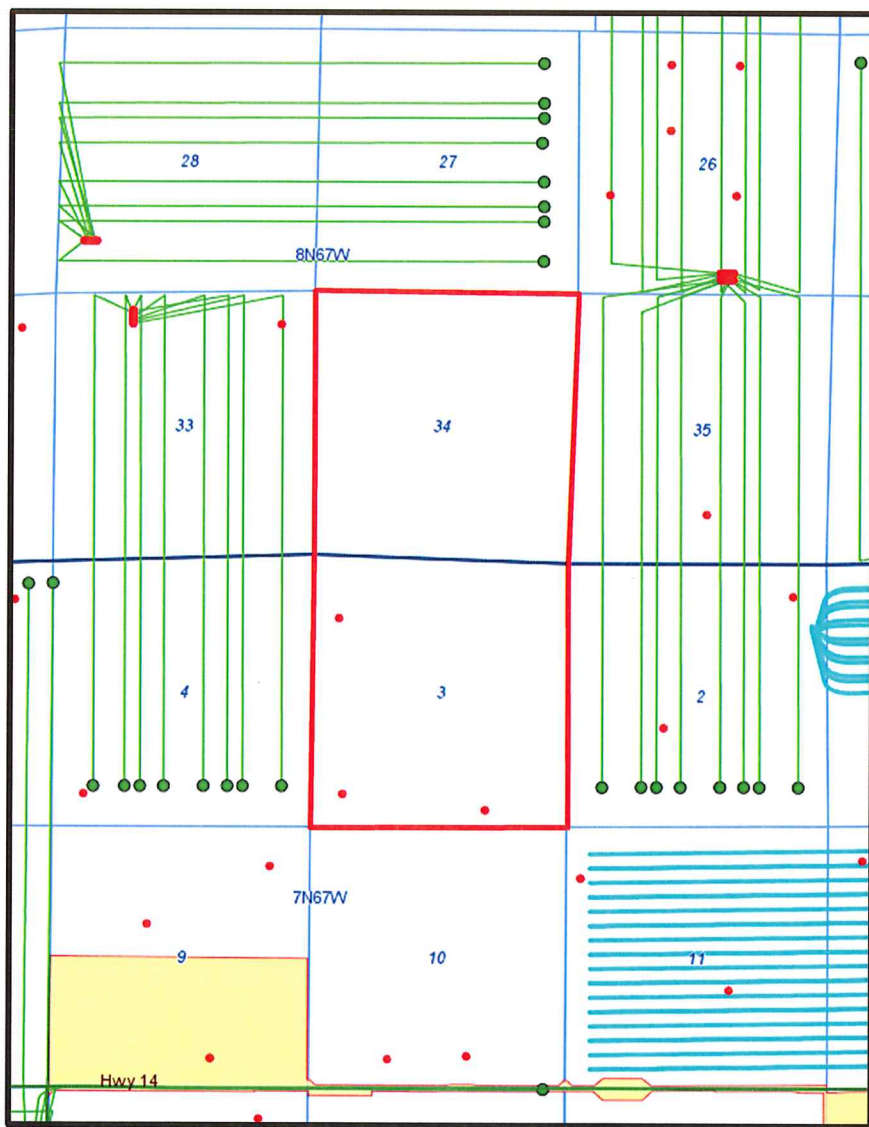
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Section 3: All

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



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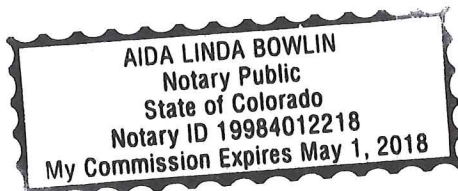
TYPE: SPACING

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

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Enerplus Resources (USA) Corporation, and on or before the 7<sup>th</sup> day of December, 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.

Subscribed and sworn to before me this 5th day of December, 2017.

Ada Linda Bowen  
Notary Public



## EXHIBIT A

### INTERESTED PARTIES

BRANDON MARETTE, ENERGY LIAISON  
COLORADO PARKS AND WILDLIFE  
NORTHEAST REGION OFFICE  
6060 BROADWAY  
DENVER, CO 80216

TROY SWAIN  
WELD COUNTY  
DEPARTMENT OF PLANNING SERVICES  
1555 NORTH 17<sup>TH</sup> AVENUE  
GREELEY, CO 80631

8 NORTH, LLC  
1888 SHERMAN ST, STE 200  
DENVER, CO 80203

PLATTE RIVER ENERGY  
8038 E. LEHIGH DR.  
DENVER, CO 80237

USA - BUREAU OF LAND MANAGEMENT  
2850 YOUNGFIELD STREET  
LAKEWOOD, CO 80215

MATHEW J. SMITH JR.  
316 45<sup>TH</sup> AVE.  
GREELEY, CO 80634

KIRA M. SMITH  
1117 WEST FRANKLIN AVE.  
MINNEAPOLIS, MN 55405

ESTATE OF RUPERT E. SMITH  
C/O SHELLY DERUTH,  
1714 9<sup>TH</sup> ST.  
GREELEY, CO 80631

KERR-MCGEE OIL AND GAS ONSHORE LP  
1099 18TH STREET, SUITE 1800  
DENVER, COLORADO 80202-1918  
ATTN: DJ BASIN LAND MANAGER

KENT KUSTER  
OIL & GAS CONSULTANT COORDINATOR  
COLORADO DEPARTMENT OF  
PUBLIC HEALTH & ENVIRONMENT  
4300 CHERRY CREEK DRIVE SOUTH  
DENVER, CO 80246-1530

VENTURE ENERGY, LLC  
INDEPENDENCE PLAZA B-180 #359  
1001 16<sup>TH</sup> STREET  
DENVER, CO 80265

LINCOLN ENERGY, LLC  
P.O. BOX 6975  
DENVER, CO 80206

WATER SUPPLY AND STORAGE COMPANY  
P.O. BOX 1584  
FORT COLLINGS, CO 80522

AMY L. PHELPS  
1701 KOONTZ LANE  
CARSON CITY, NV 89701

STANLEY BRIAN SMITH  
257 N. COLORADO AVE.  
LARAMIE, WY 82070

THE ESTATE OF ALPHRONIA ELIZABETH  
SMITH  
C/O CAROLE I. PARSONS  
1405 EAST 16TH ST. APT. B  
LOVELAND, CO 80538

BURD RANCH, LLC  
C/O RICHARD E. AND KAREN D. BURD  
1190 GRAYHAWK ROAD  
EATON, CO 80615