

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

IN THE MATTER OF THE APPLICATION OF FIFTH CREEK ENERGY OPERATING COMPANY, LLC FOR AN ORDER TO (1) VACATE A 640-ACRE DRILLING AND SPACING UNIT ESTABLISHED BY ORDER NO. 421-3, (2) VACATE A 1,280-ACRE DRILLING AND SPACING UNIT ESTABLISHED BY ORDER NO. 421-29, (3) ESTABLISH A 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTION 35, TOWNSHIP 11 NORTH, RANGE 62 WEST, 6TH P.M. AND SECTION 2, TOWNSHIP 10 NORTH, RANGE 62 WEST, 6TH P.M., AND AUTHORIZE UP TO SIX (6) NEW CODELL, FORT HAYS AND CARLILE HORIZONTAL WELLS AND UP TO FIFTEEN (15) NEW NIOBRARA HORIZONTAL WELLS, AND (4) ALLOW FOR 300-FOOT SETBACKS FROM THE BOUNDARIES OF THE 1,280-ACRE UNIT FOR THE EFFICIENT AND ECONOMIC DEVELOPMENT AND OPERATION OF THE CODELL, FORT HAYS, CARLILE AND NIOBRARA FORMATIONS.

CAUSE NO. 421

DOCKET NO. 180300 _____

TYPE: SPACING

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 (1) vacate the 640-acre drilling and spacing unit established by Order No. 421-3 for Section 2, Township 10 North, Range 62 West, 6th P.M. for the Niobrara Formation, (2) vacate the 1,280-acre stand-up exploratory drilling and spacing unit established by Order No. 421-29 for Sections 26 and 35, Township 11 North, Range 62 West, 6th P.M. (3) establish an approximate 1,280-acre drilling and spacing unit for Section 35, Township 11 North, Range 62 West, 6th P.M. and Section 2, Township 10 North, Range 62 West, 6th P.M. and authorize up to six (6) new horizontal wells for the efficient and economic development of oil, gas and associated hydrocarbons from the Codell, Fort Hays and Carlile Formations and fifteen (15) new horizontal wells for the efficient and economic development of oil, gas and associated hydrocarbons from the Niobrara Formation, and (4) 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, Carlile and Niobrara 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 is an "Owner" as defined by the Oil and Gas Conservation Act and 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 35: All

Township 10 North, Range 62 West, 6th P.M.
Section 2: All

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

A reference map of the Application Lands is attached hereto.

3. On October 21, 2010, the Commission entered Order No. 421-3 which, among other things, established 83 approximate 640-acre drilling and spacing units for certain lands, including Section 35, Township 11 North, Range 62 West, 6th P.M., and Section 2, Township 10 North, Range 62 West, 6th P.M., for the production of oil and gas and associated hydrocarbons from the Niobrara Formation, with no more than one horizontal well to be drilled in each unit from a surface location anywhere in the unit with the horizontal leg and bottom-hole location to be not closer than 600 feet from the boundaries of each unit.

4. On January 7, 2013, the Commission entered Order No. 421-29 which, among other things, vacated two approximate 640-acre drilling and spacing units established by Order No. 421-3 for Sections 26 and 35, Township 11 North, Range 62 West, 6th P.M., and established one approximate 1280-acre stand-up exploratory drilling and spacing unit for Sections 26 and 35, Township 11 North, Range 62 West, 6th P.M., and approved 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.

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

6. In order to promote efficient drainage of the Codell, Fort Hays, Carlile and Niobrara Formations within the Application Lands, to protect correlative rights and to avoid waste, the Commission should enter an Order to (1) vacate the 640-acre drilling and spacing unit established by Order No. 421-3 for Section 2, Township 10 North, Range 62 West, 6th P.M. for the Niobrara Formation, (2) vacate the 1,280-acre stand-up exploratory drilling and spacing unit established by Order No. 421-29 for Sections 26 and 35, Township 11 North, Range 62 West, 6th P.M. (3) establish an approximate 1,280-acre drilling and spacing unit for Section 35, Township 11 North, Range 62 West, 6th P.M. and Section 2, Township 10 North, Range 62 West, 6th P.M. and authorize up to six (6) new horizontal wells for the efficient and economic development of oil, gas and associated hydrocarbons from the Codell, Fort Hays and Carlile Formations and fifteen (15) new horizontal wells for the efficient and economic development of oil, gas and associated hydrocarbons from the Niobrara Formation, and (4) 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, Carlile and Niobrara Formations underlying the Application Lands.

7. Applicant maintains that there will be no more than a total of four (4) well pads in the proposed drilling and spacing unit to be located within such unit or adjacent thereto, unless an exception is granted by the Director.

8. 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.

9. 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 on March 19, 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Vacating the 640-acre drilling and spacing unit established by Order No. 421-3 for Section 2, Township 10 North, Range 62 West, 6th P.M. for the Niobrara Formation.

B. Vacating the 1,280-acre stand-up exploratory drilling and spacing unit established by Order No. 421-29 for Sections 26 and 35, Township 11 North, Range 62 West, 6th P.M.

C. Establishing an approximate 1,280-acre drilling and spacing unit for Section 35, Township 11 North, Range 62 West, 6th P.M. and Section 2, Township 10

North, Range 62 West, 6th P.M. for the Codell, Fort Hays, Carlile and Niobrara Formations and authorizing up to six (6) new horizontal wells for the efficient and economic development of oil, gas and associated hydrocarbons from the Codell, Fort Hays and Carlile Formations, and up to fifteen (15) new horizontal wells for the efficient and economic development of oil, gas and associated hydrocarbons from the Niobrara Formation.

D. Providing that the treated interval any horizontal well in the proposed 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 four (4) well pads in the unit, unless an exception is granted by the Director.

E. Finding that the approximate 1,280-acre drilling and spacing unit for the development of the Codell, Fort Hays, Carlile and Niobrara 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, Carlile and Niobrara Formations on the Application Lands.

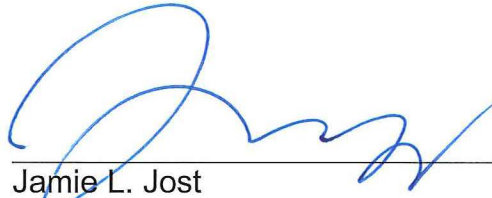
F. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED January 17th, 2018.

Respectfully submitted:

FIFTH CREEK ENERGY OPERATING COMPANY, LLC

By:

A handwritten signature in blue ink, appearing to be 'Jamie L. Jost', written over a horizontal line.

Jamie L. Jost
Kelsey H. Wasylenky
Jost Energy Law, P.C.
Attorneys for Applicant
1401 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620

Applicant's Address:

Fifth Creek Energy Operating Company, LLC

Attn: Cody Truitt

5251 DTC Parkway, Suite 420

Greenwood Village, CO 80111

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 Application and that the matters therein contained are true to the best of his knowledge, information and belief.

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

Subscribed and sworn to before me this 16th day of January, 2018.

Witness my hand and official seal.

[SEAL]

STEPHANIE A GROFF
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 20124040932
MY COMMISSION EXPIRES 06-25-2020

My commission expires: June 25, 2020

[Signature]
Notary Public

Reference Map
Fifth Creek Energy, Inc.

Section 35, Township 11 North, Range 62 West, 6th P.M.
Section 2, Township 10 North, Range 62 West, 6th P.M.

