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

| IN THE MATTER OF THE APPLICATION OF 8 NORTH, |) | |
|---|---|-----------------------------|
| LLC, FOR AN ORDER TO ESTABLISH AN |) | CAUSE NO. 535 |
| APPROXIMATE 1,280-ACRE DRILLING AND |) | |
| SPACING UNIT FOR SECTIONS 35 & 36, TOWNSHIP 8 |) | DOCKET NO. To be determined |
| NORTH, RANGE 65 WEST, 6 th P.M., AND |) | |
| AUTHORIZING THE DRILLING OF TWENTY |) | TYPE: Spacing |
| HORIZONTAL WELLS WITHIN THE PROPOSED |) | |
| UNIT, FOR PRODUCTION FROM THE CODELL, FORT |) | |
| HAYS, CARLILE, AND NIOBRARA FORMATIONS, |) | |
| UNNAMED FIELD, WELD COUNTY, COLORADO |) | |
| | | |

APPLICATION

8 North, LLC ("8 North" or "Applicant"), Operator #10575, by and through its attorneys, The Shanor Group LLC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order establishing an approximate 1,280-acre drilling and spacing unit for Sections 35 and 36, Township 8 North, Range 65 West, 6th P.M., and authorizing the drilling of 20 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. In support of this Application ("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 COGCC.

2. Applicant owns substantial leasehold interests in the below-listed lands ("Application Lands"):

Township 8 North, Range 65 West, 6th P.M.Section 35:AllSection 36:All

Exhibit A is attached hereto and depicts the Application Lands which consists of approximately 1,280 acres.

3. COGCC Rule 318.a. provides that for any oil or gas well drilled to a common source of supply and drilled to a producing depth at least 2,500 feet below ground surface shall be located not less than 600 feet from any leaseline and not less than 1,200 feet from any other producing or drilling oil or gas well when drilling to the same source of supply, unless authorized by Commission order upon hearing. The Application Lands are subject to this Rule for production of oil and gas from the Codell, Fort Hays, Carlile, and Niobrara Formations.

4. Applicant herein seeks the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, and the authority to drill 20 horizontal wells within the proposed unit, for

production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. Further, the establishment of the drilling and spacing unit is not smaller than the area which can be efficiently and economically drained by the drilling of the requested horizontal wells to be drilled within said unit.

5. Applicant herein requests the treated intervals of any horizontal well permitted under this Application should be located not less than 600 feet from proposed unit boundaries and not less than 150 feet from the treated interval of any other well producing or drilling from the Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

6. Further, Applicant herein requests any permitted wells drilled under this Application should be located on no more than four multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

7. 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 COGCC rules.

8. Applicant requests that relief granted as result of this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by the oral order of the Commission.

9. That the names and addresses of interested parties (owners within the Application Lands and those owners of lands cornering or adjacent to the Application Lands) according to the information and belief of the Applicant are set forth in <u>Exhibit B</u> attached hereto. The Applicant shall submit a certificate of service for the Application within seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests this matter be set for hearing, notice be given as required by law, and that upon such hearing the Commission enter its order:

A. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of 20 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations, with the treated interval of any horizontal well permitted under this Application located not less than 600 feet from unit boundaries and not less than 150 feet from any other well producing or drilling from the Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

B. Limiting the drilling of any permitted wells under this Application to no more than four multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

C. For such other findings and orders as the Commission may deem proper or advisable given the premises.

DATED this 14th day of February, 2018.

Respectfully submitted,

8 NORTH, LLC By: A. Willis (Colorado Bar #26308)

The Shanor Group LLC 600 Seventeenth Street. Suite 2800 Denver, CO 80202 (303) 995-5120

Applicant's Address: 370 Seventeenth Street, Suite 5300 Denver, CO 80202

VERIFICATION

) ss.

STATE OF COLORADO

CITY & COUNTY OF DENVER

Sean Flanagan, Landman for 8 North, 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.

8 NORTH, LLC Flanagan

Subscribed and sworn to before me this <u>13m</u> day of February, 2018, by Sean Flanagan, Landman for 8 North, LLC.

Witness my hand and official seal.

My commission expires:

1/18/2042

Notary Public

ANGELA CHRISTINE NICKEL NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20184003200 MY COMMISSION EXPIRES JANUARY 18, 2022

Township 8 North, Range 65 West Section 35: All Section 36: All

| SESE | SWSW | SESW | SWSE | SESE | Crawaw | SESW | SWSE | SE SE | L4 |
|------|------|------|------|--------------|-------------|------|-------|-------|-----|
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| SENE | SANW | SENW | SWNE | SENE 8N 6 | 5WNW | SENN | SWNE | SENE | L2 |
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| SESE | SWSW | SESW | SWSE | SESE | SWSW | SEŚW | SWSE | SESE | L.4 |
| LI | L4 | L3 | L2 | LI | L4 | L3 | L2 | LI | L4 |

EXHIBIT B

INTERESTED PARTIES

Robert Willis, Esq. The Shanor Group 600 17th Street, Suite 2800 Denver, CO 80202

Kent Kuster CDPHE 4300 Cherry Creek Dr. South Denver, CO 80246-1530

Whitcomb Milo Ray Mary Cecelia 22499 County Road 86 Ault, CO 80610

8 North, LLC 370 17th Street, Suite 5300 Denver, CO 80202 8 North, LLC Attn: Sean Flanagan 370 17th Street, Suite 5300 Denver, CO 80202

Colo. Parks & Wildlife Attn: Brandon Marette 6060 Broadway Denver, CO 80216

Venture Energy, LLC Independence Plaza B-180, PMB #359 1001 16th Street Denver, CO 80625 Troy Swain Weld County Dep't of Planning Services 1555 North 17th Ave. Greeley, CO 80631

Jeffrey L. & Sonya F. Pope 42274 County Road 45 Ault, CO 80610

Kerr-McGee Oil & Gas Onshore, LLC 1099 18th Street Denver, CO 80202