

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

IN THE MATTER OF AN APPLICATION BY
CONFLUENCE DJ LLC FOR AN ORDER TO, AMONG
OTHER THINGS, ESTABLISH AN APPROXIMATE
1,280-ACRE DRILLING AND SPACING UNIT AND
AUTHORIZE UP TO 27 WELLS FOR PRODUCTION
FROM THE CODELL AND NIOBRARA FORMATIONS
FOR SECTION 6, TOWNSHIP 7 NORTH, RANGE 64
WEST AND SECTION 1, TOWNSHIP 7 NORTH,
RANGE 65 WEST, 6TH P.M., WATTENBERG FIELD,
WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 180400_____

TYPE: SPACING

APPLICATION

COMES NOW Confluence DJ LLC (Operator No. 10518) ("Confluence" or "Applicant"), by its attorneys, Jost Energy Law, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to establish an approximate 1,280-acre drilling and spacing unit for the Application Lands (as defined below) and authorize up to 27 horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations. In support of its Application, Applicant states and alleges as follows:

1. Confluence DJ LLC 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 and/or Operator, as defined by the Colorado Oil & Gas Conservation Act, C.R.S. § 34-60-101, *et seq.*, and the 100 Series Commission Rules in all or a portion of the below-listed lands:

Township 7 North, Range 64 West, 6th P.M.
Section 6: All

Township 7 North, Range 65 West, 6th P.M.
Section 1: All

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

These lands are referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto.

3. 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 Niobrara and Codell Formations.

4. The records of the Commission reflect that one vertical well is producing from the Codell and Niobrara Formations on the Application Lands, the Antholz PC AB #06-16 (API No. 05-123-32110), which has been designated as a wellbore spacing unit under Rule 318.A. Applicant respectfully requests that the Antholz PC AB #06-16 well be excluded from the proposed 1,280-acre unit and continue to be allocated pursuant to Rule 318.A and the corresponding pooling Order No. 407-603 which pooled all interests in an 80-acre designated wellbore spacing unit for the Antholz PC AB #06-16 well for purposes of payment of proceeds.

5. Applicant requests the Commission establish the Application Lands as a 1,280-acre drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and §34-60-116(1), 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 Codell and Niobrara Formations.

6. Applicant requests it be authorized to drill and complete up to 27 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 and Codell Formations, 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.

7. Applicant requests that surface locations and setbacks for the Application Lands be as follows:

a. Any horizontal wells to be drilled under this Application for production from the 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 wellpads, unless an exception is granted by the Director.

b. The wellbores of any horizontal wells to be drilled under this Application may enter the 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 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 Codell and Niobrara Formations, the productive interval of any permitted well shall be located no closer than 460 feet from the unit boundary.

8. 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.

9. 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.

10. Confluence certifies that copies of this Application will be served to the interested parties within seven (7) days of the date hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing on April 30, 2018, 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 below-described "Application Lands" and authorizing the drilling of up to 27 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations:

Township 7 North, Range 64 West, 6th P.M.
Section 6: All

Township 7 North, Range 65 West, 6th P.M.
Section 1: All

B. Providing that the surface locations and 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 wellpads, unless an exception is granted by the Director.

2. The wellbores of any horizontal wells may enter the 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 460 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: February 20, 2018.

Respectfully submitted:

Confluence DJ LLC

By: 
Jamie L. Jost
Kelsey Wasylenky
Jost Energy Law, P.C.
Attorneys for Applicant
1401 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620
jjost@jostenergylaw.com
kwasylenky@jostenergylaw.com

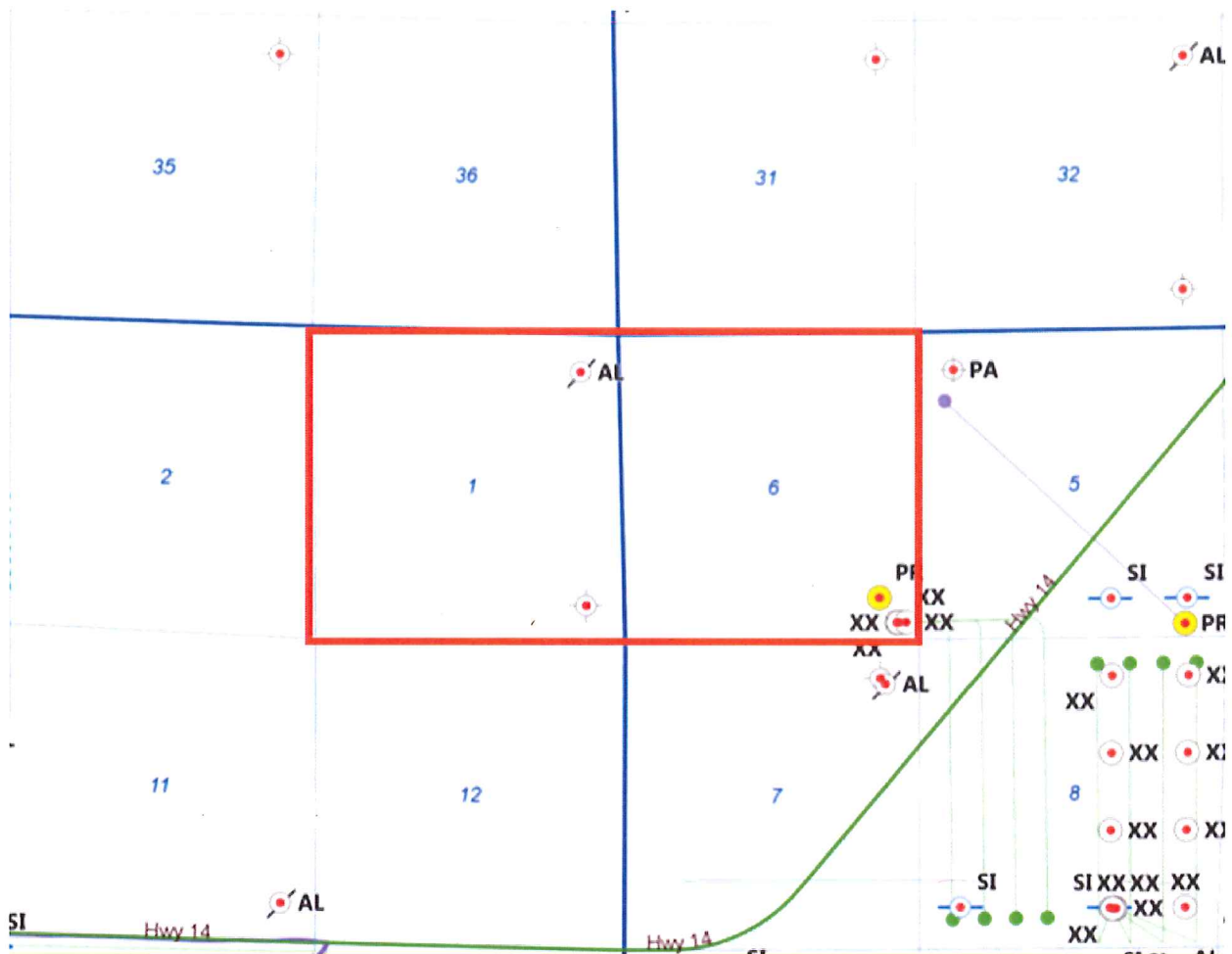
Applicant's Address:
Confluence DJ LLC
ATTN: Angela Mallon
1001 17th Street, Suite 1250
Denver, CO 80202

Reference Map for Application

Township 7 North, Range 64 West, 6th P.M.
Section 6: All

Township 7 North, Range 65 West, 6th P.M.
Section 1: All

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




= Application Lands

VERIFICATION

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

William E. Nicas, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Vice-President of Land and Business Development for Confluence DJ 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.


William E. Nicas

William E. Nicas
Senior Vice President, Land & Business Development
Confluence DJ LLC

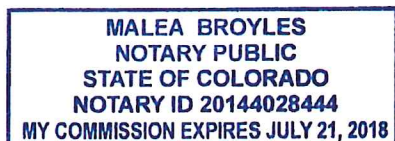
Subscribed and sworn to before me this 20th day of February, 2018.

Witness my hand and official seal.

[SEAL]

My commission expires: 7.21.2018

Mallack Boyles
Notary Public



IN THE MATTER OF AN APPLICATION BY CONFLUENCE DJ LLC FOR AN ORDER TO, AMONG OTHER THINGS, ESTABLISH AN APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT AND AUTHORIZE UP TO 27 WELLS FOR PRODUCTION FROM THE CODELL AND NIOBRARA FORMATIONS FOR SECTION 6, TOWNSHIP 7 NORTH, RANGE 64 WEST AND SECTION 1, TOWNSHIP 7 NORTH, RANGE 65 WEST, 6TH P.M., WATTENBERG FIELD, WELD COUNTY, COLORADO	CAUSE NO. 407 DOCKET NO. 180400293 TYPE: SPACING
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STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

James L. Foster


Notary Public

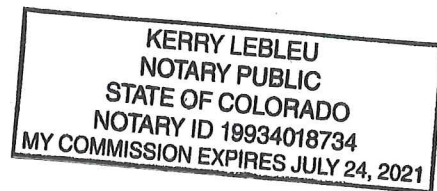


Exhibit A
SP - T7N-R64W Sec 6, T7N-R65W Sec 1

Kerr-McGee Oil and Gas Onshore LP
1099 18th Street, Suite 1800
Denver, CO 80202

Anadarko E&P Company
1099 18th Street, Suite 1800
Denver, CO 80202

Extraction Oil & Gas
370 17th Street, Suite 5300
Denver, CO 80202

Centennial Mineral Holdings LLC
5950 Cedar Springs Rd, Suite 200
Dallas, TX 75235

Vine Royalty, LP
600 Travis St, Suite 7200
Houston, TX 77002

Dios del Mar Royalty Holding Company LLC
P.O. Box 621128
Littleton, CO 80162

Centennial Royalty, JV
5000 Plaza on the Lake, Suite 250
Austin, TX 78746

William B. Preston and Linda L. Preston,
Trustees of the Willam B. Preston Living
Trust dated 8/26/1997
11904 Arbor St, Suite 200
Omaha, NE 68114

Sierra Echo Resources
12105 Lake Stone Dr.
Austin, TX 78738

Cayman Resources, Inc.
5773 Woodway Dr PMB 412
Houston, TX 77057

Peyton Energy, LP
6850 TPC Dr, Suite 202
McKinney, TX 75070

MadAnt Energy, Inc.
P.O. Box 100728
Denver, CO 80250

Two Sisters LLC
1712 Pioneer Ave, Suite 470
Cheyenne, WY 82001

Evergreen Marquee, L.L.C.
1685 S. Colorado Blvd, S-361
Denver, CO 80222

Horizon Resources II, LLC
6990 W. 38th Ave., Suite 301
Wheat Ridge, CO 80033

Margaret Elaine Jennings
128 RR2
Arnett, OK 73832

Francis M. Roller
W347 S7612 Sprague Rd
Eagle, WI 53119

Okreek Oil & Gas II, LLC
475 17th Street, Suite 1350
Denver, CO 80202

Richard Radtke
216 E. Geneva
Elkhorn, WI 53121

Joan E. Dougherty
777 North Brookfield Road, #220
Brookfield, WI 53045

Dorothea Cragholm
4122 Xavier Court
Livermore, CA 94550

Nancy Pikel
S94 W 14285
Grovey Lane
Muskego, WI 53150

Wisconsin Humane Society of Milwaukee
4500 W. Wisconsin Ave.
Milwaukee, WI 53208

George Prietz
5121 S. 37th Street
Milwaukee, WI 53221

Estate of Leah Gust
4455 Federal Blvd
Denver, CO 80211

Audrey Prietz
8888 S. Layton Blvd
Milwaukee, WI 53215

Lorraine Schleiger
260 3rd. Ave.
Daly City, CA 94014

Children of Lawrence Schlieger
W6898 Sugar Creek Rd
Elkhorn, WI 53121

Maude Schlieger
W6898 Sugar Creek Rd
Elkhorn, WI 53121

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

Brandon Marette
Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
6060 Broadway
Denver, CO 80216

Troy Swain
Weld County
Department of Planning Services
1555 North 17th Avenue
Greeley, CO 80631

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

James L. Foster

Subscribed and sworn to before me this 8th day of March, 2018.

[SEAL]


Notary Public

KERRY LEBLEU
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19934018734
MY COMMISSION EXPIRES JULY 24, 2021

Exhibit A
SP - T7N-R64W Sec 6, T7N-R65W Sec 1

Supplemental:

Centennial Royalty, JV
Attention: Steve Owen
317 Ranch Road 620 S., Suite 205
Austin, TX 78734

Sierra Echo Resources
Attention: Steve Owen
317 Ranch Road 620 S., Suite 205
Austin, TX 78734