

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

IN THE MATTER OF THE APPLICATION OF
HIGHPOINT OPERATING CORPORATION FOR
AN ORDER TO POOL ALL INTERESTS IN A
DESIGNATED HORIZONTAL WELLBORE
SPACING UNIT ESTABLISHED FOR
PORTIONS OF SECTIONS 21, 22, 27 AND 28,
TOWNSHIP 4 NORTH, RANGE 62 WEST, 6TH
P.M., FOR THE PRODUCTION OF OIL, GAS
AND ASSOCIATED HYDROCARBONS FROM
THE NIOBRARA FORMATION, WATTENBERG
FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 180600 _____

TYPE: POOLING

APPLICATION

COMES NOW HighPoint Operating Corporation (Operator No. 10071) ("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 pool all interests within a designated horizontal Wellbore Spacing Unit, as defined below, for the production and operation of the Anschutz Equus Farms 4-62-28-0108CNB (API No. 05-123-43694) for the development and operation of the Niobrara Formation on the following lands (hereinafter collectively, the "Application Lands"):

Wellbore Spacing Unit:

Anschutz Equus Farms 4-62-28-0108CNB (API No. 05-123-43694)

Township 4 North, Range 62 West

Section 27: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 28: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 21: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 22: S $\frac{1}{2}$ S $\frac{1}{2}$

640-acres, more or less, Weld County, Colorado.

In support thereof, Applicant states and alleges as follows:

1. Applicant is a corporation 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 in the Application Lands, as defined by the Oil and Gas Conservation Act, and owns certain leasehold interests in the Application Lands and/or holds the right to operate certain leasehold interests in the Application Lands.

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 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 wells drilled and producing in the Niobrara Formation.

4. On March 17, 2014, the Commission entered Order No. 407-949 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Sections 15 and 22, Township 4 North, Range 62 West, 6th P.M., and approved up to 16 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 407-949 applies to portions of the Application Lands but does not affect this wellbore-specific Application.

5. On October 27, 2014, the Commission entered Order No. 407-1146 which, among other things, pooled all interests in an approximate 1,280-acre drilling and spacing unit established for Sections 15 and 22, Township 4 North, Range 62 West, 6th P.M., for the development and operation of the Niobrara Formation, and subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the date of the Application, for the drilling of the initial permitted horizontal Niobrara Formation well drilled within the Application Lands and any subsequent horizontal Niobrara Formation wells authorized by the Commission. Order No. 407-1146 applies to portions of the Application Lands but does not affect this wellbore-specific Application.

6. On January 26, 2016, the Commission entered Order No. 407-1603 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Sections 20 and 21, Township 4 North, Range 62 West, 6th P.M., and approved up to 16 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 407-1603 applies to portions of the Application Lands but does not affect this wellbore-specific Application.

7. On January 26, 2016, the Commission entered Order No. 407-1605 which, among other things, vacated an approximate 640-acre drilling and spacing unit established by Order No. 407-797 for Section 27, Township 4 North, Range 62 West, 6th P.M., for production from the Niobrara and Codell Formations, and established an approximate 1,280-acre drilling and spacing unit for Sections 27 and 28, Township 4 North, Range 62 West, 6th P.M., and approved up to sixteen horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 407-797 applies to portions of the Application Lands but does not affect this wellbore-specific Application.

8. Applicant designated the Wellbore Spacing Unit comprising the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara Formation pursuant to Rule 318A and notified the appropriate parties under Rule 318A.

9. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any non-consenting interests and any party failing to fulfill its election, in the Application Lands in the Niobrara Formation underlying the Wellbore Spacing Unit for the drilling of the Anschutz Equus Farms 4-62-28-0108CNB (API No. 05-123-43694).

10. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Anschutz Equus Farms 4-62-28-0108CNB (API No. 05-123-43694) to the Niobrara Formation on the Application Lands.

11. Applicant certifies that copies of this Application will be served on all persons owning a recorded and known interest in the mineral estate of the tracts to be pooled within seven days of the date hereof, as required by Rule 503.e., and that at least 35 days prior to the hearing on this matter, each such recorded and known interest owner not already leased or voluntarily pooled will be offered the opportunity to lease and/or participate and will be provided with the information required by Rule 530 as applicable.

12. In order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit should be pooled for the orderly development and operation of the Niobrara Formation, including any non-consenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing on June 11, 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests, including but not limited to any non-consenting interests and any party failing to fulfill its election, in the following Wellbore Spacing Unit established for the development and operation of the Niobrara Formation:

Township 4 North, Range 62 West

Section 27: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 28: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 21: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 22: S $\frac{1}{2}$ S $\frac{1}{2}$

640-acres, more or less, Weld County, Colorado.

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Anschutz Equus Farms 4-62-28-

0108CNB (API No. 05-123-43694) for the production of oil, gas and associated hydrocarbons from the Niobrara Formation on the Application Lands.

C. Providing that any party who fails to make a timely election to lease or to participate is pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to the Well drilled to develop the Niobrara Formation in the Wellbore Spacing Unit comprising the Application Lands.

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

DATED April 12th, 2018.

Respectfully submitted:

HIGHPOINT OPERATING CORPORATION

By:




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VERIFICATION

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

Gabriel Findlay, of lawful age, being first duly sworn upon oath, deposes and says that he is the Land Manager - Operations for HighPoint Operating Corporation, 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.

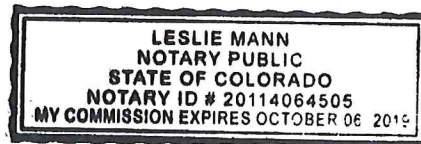


Gabriel Findlay
Land Manager - Operations
HighPoint Operating Corporation


Subscribed and sworn to before me this 11th day of April, 2018.

Witness my hand and official seal.

[SEAL]



My commission expires: 10/6/2019_____



Notary Public

