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

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IN THE MATTER OF THE APPLICATION OF 8 NORTH, LLC, FOR AN ORDER TO ESTABLISH AN APPROXIMATE 1,600-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 9, 16 & N¹/₂ of 21, TOWNSHIP 10 NORTH, RANGE 59 WEST, 6TH P.M., AND AUTHORIZE THE DRILLING OF TWELVE HORIZONTAL WELLS WITHIN THE PROPOSED UNIT, FOR PRODUCTION FROM THE CODELL, FORT HAYS, CARLILE, AND NIOBRARA FORMATIONS, UNNAMED FIELD, WELD COUNTY, COLORADO

CAUSE NO. 535 DOCKET NO. **180600473** TYPE: Spacing

AMENDED APPLICATION

8 North, LLC ("8 North" or "Applicant"), Operator #10575, by and through its attorneys, Poulson, Odell & Peterson, LLC, respectfully submits this amended application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order: (1) amending Order No. 535-748 to establish an approximate 1,600-acre drilling and spacing unit for Sections 9, 16 and the N¹/₂ of Section 21, Township 10 North, Range 59 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations, and (2) maintaining allocation of payment of proceeds for the Pawnee 16-13H well drilled within Section 16, Township 10 North, Range 59 West, 6th P.M., for production from the Niobrara Formation. In support of this amended 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 10 North, Range 59 West, 6th P.M.Section 9:AllSection 16:AllSection 21:N¹/₂

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. Sections 9, 16 and the N¹/₂ of Section 21, Township 10 North, Range 59 West, 6th P.M., are subject to this Rule for production of oil and gas from the Codell, Fort Hays and Carlile Formations. The Fort Hays and Carlile Formations are non-target formations, however are included in the proposed

drilling and spacing unit at the Commission's request in the event the horizontal wellbore of any permitted well under the approved Application deviates into these formations.

4. On June 17, 2013, the Commission issued Order No. 535-350 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 21, Township 10 North, Range 59 West, 6th P.M., and authorized the drilling of 13 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any permitted well located no closer than 600 feet from unit boundaries and an interwell setback no closer than 300 feet.

5. On September 16, 2013, the Commission issued Order No. 535-417 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 9, Township 10 North, Range 59 West, 6th P.M., and authorized the drilling of 16 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any permitted well located no closer than 100 feet from unit boundaries and an interwell setback no closer than 200 feet.

6. On October 26, 2015, the Commission issued Order No. 535-707 which, among other things, vacated the approximate 640-acre drilling and spacing unit established by Order No. 535-417 for Section 9, Township 10 North, Range 59 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation, and established an approximate 960-acre drilling and spacing unit for Section 9 and the N¹/₂ of Section 16, Township 10 North, Range 59 West, 6th P.M., and authorized the drilling of 32 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any permitted well located no closer than 100 feet from the unit boundaries and an interwell setback of not less than 100 feet.

7. On January 26, 2016, the Commission issued Order No. 535-720 which, among other things, vacated the approximate 960-acre drilling and spacing unit established by Order No. 535-707 for Section 9 and the N¹/₂ of Section 16, Township 10 North, Range 59 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation, and established an approximate 1,280-acre drilling and spacing unit for Sections 9 and 16, Township 10 North, Range 59 West, 6th P.M., and authorized the drilling of 32 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the treated interval of any permitted well located no closer than 100 feet from the unit boundaries and an interwell setback of not less than 100 feet.

8. On October 24, 2016, the Commission issued Order No. 535-748 which, among other things, vacated the approximate 640-acre drilling and spacing unit established by Order No. 535-350 for Section 21, Township 10 North, Range 59 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation and the approximate 1,280-acre drilling and spacing unit established by Order No. 535-720 for Sections 9 and 16, Township 10 North, Range 59 West, 6th P.M, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and established an approximate 1,600-acre drilling and spacing unit for Sections 9, 16 and the N½ of Section 21, Township 10 North, Range 59 West, 6th P.M., and authorized the drilling of 32 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations,

with the treated interval of any permitted well located no closer than 100 feet from the unit boundaries and an interwell setback of not less than 100 feet.

Amending Order No. 535-748 to establish an approximate 1,600-acre drilling and spacing unit established for Sections 9, 16 and the N¹/2 of Section 21, Township 10 North, Range 59 West, 6th P.M., for production from the Codell, Fort Hays, Carlile, and Niobrara Formations

9. Applicant herein seeks the establishment of an approximate 1,600-acre drilling and spacing unit for the Application Lands, and the authority to drill 12 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. This proposed development plan will allow the drilling of 12 two-mile laterals running north-to-south or south-to-north within the proposed unit, thereby preventing waste while protecting correlative rights within the proposed unit area. 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.

10. On or about April 9, 2017, Whiting Oil & Gas Corp., Operator No. 96155, was issued an Application for Permit-to-Drill, Form 2, the Wolf 09D-2135 well (API #05-123-44589), a horizontal well under the authority of Order No. 535-748, for production from the Codell and Niobrara Formations. As of the date of the Application, the Wolf 09D-2135 well has not been drilled. Applicant requests that should the Application be approved, the Form 2 for the Wolf 09D-2135 well should be modified to reflect authority under the Commission order for the approved Application, for production from the Codell, Fort Hays, Carlile, and Niobrara Formations.

11. Applicant herein requests the treated intervals of any horizontal well permitted under this Application should be located not less than 300 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.

12. 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.

Maintaining allocation of payment of proceeds for the Pawnee 16-13H well, for production from the Niobrara Formation

13. Whiting Oil & Gas Corp. presently operates the Pawnee 16-13H well (API #05-123-32493), a horizontal well drilled and producing on a 640-acre leasehold basis, for production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant hereby requests that allocation of proceeds for the Pawnee 16-13H well be maintained on a 640-acre leasehold basis, and that this well not count against the well count authorized by an approved Application, for production from the Codell, Fort Hays, Carlile, and Niobrara Formations.

* * *

14. 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.

15. 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.

16. 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>. The Applicant shall submit a certificate of service for the Application within seven days as required by Rule 503.e. accompanied by <u>Exhibit B</u>.

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. Amending Order No. 535-748 to establish an approximate 1,600-acre drilling and spacing unit for Sections 9, 16 and the N¹/₂ of Section 21, Township 10 North, Range 59 West, 6th P.M., for 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 300 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. Maintaining allocation of payment of proceeds for the Pawnee 16-13H well drilled within Section 16, Township 10 North, Range 59 West, 6th P.M., for production from the Niobrara Formation.

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

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DATED this <u>b</u> day of May, 2018.

Respectfully submitted,

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

Robert A. Willis (Colorado Bar #26308) Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, CO 80203 (303) 861-4400 (main) (303) 264-4418 (direct) (303) 995-5120 (cell)

<u>Applicant's Address</u>: 370 Seventeenth Street, Suite 5300 Denver, CO 80202

VERIFICATION

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.

) ss.)

8 NQRTH, LLC

Subscribed and sworn to before me this $\underline{\mathcal{S}}^{\mathcal{H}}$ day of May, 2018, by Sean Flanagan, Landman for 8 North, LLC.

Witness my hand and official seal.

Notary ID # 20124036744 My Commission Expires 01-04-2021

My commission expires: $\frac{1/4}{21}$ ANNE MICHELLE PIERINI Notary Public State of Colorado Notary Public

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

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IN THE MATTER OF THE APPLICATION OF 8 NORTH, LLC, FOR AN ORDER TO ESTABLISH AN APPROXIMATE 1,600-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 9, 16 & N½ OF 21, TOWNSHIP 10 NORTH, RANGE 59 WEST, 6TH P.M., AND AUTHORIZE THE DRILLING OF TWELVE HORIZONTAL WELLS WITHIN THE PROPOSED UNIT, FOR PRODUCTION FROM THE CODELL, FORT HAYS, CARLILE, AND NIOBRARA FORMATIONS, UNNAMED FIELD, WELD COUNTY, COLORADO

CAUSE NO. 535 DOCKET NO: 180600473 TYPE: Spacing

CERTIFICATE OF MAILING

I, Bridget Wittrock, hereby certify that on the 25th day of September, 2018, I caused a copy of the Amended Application in the above-referenced Docket Number to be deposited in the U.S. Mail, postage prepaid, addressed to the parties listed on the original Application as Exhibit B, with address changes as listed on <u>Supplemental Exhibit B</u> attached hereto.

DATED this 26th day of September, 2018.

Bridget Withrock

Bridget Wittrock Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, Colorado 80203

SUPPLEMENTAL EXHIBIT B

INTERESTED PARTIES

Joseph & Julie Vandehey c/o Joel Vandehey 14039 171st Lane NE Woodinville, WA 98072 180600473 Sean Hackett CDPHE 4300 Cherry Creek Dr. South Denver, CO 80246-1530 180600473 Jason Maxey Weld County Dept. of Planning Services 1555 North 17th Ave. Greeley, CO 80631 180600473