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 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 11 & 14, TOWNSHIP 10 NORTH, RANGE 59 WEST, 6TH P.M., AND AUTHORIZING 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. To be determined TYPE: Spacing

APPLICATION

8 North, LLC ("8 North" or "Applicant"), Operator #10575, by and through its attorneys, Poulson, Odell & Peterson, LLC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order: (1) vacating the approximate 1,280-acre drilling and spacing unit established by Order No. 535-720 for Sections 14 and 23, Township 10 North, Range 59 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and (2) establishing an approximate 1,280-acre drilling and spacing unit for Sections 11 and 14, Township 10 North, Range 59 West, 6th P.M., and authorizing the drilling of 12 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 10 North, Range 59 West, 6th P.M.Section 11:AllSection 14:All

Exhibit A, Application Map is attached hereto and depicts the Application Lands consisting of 1,280 acres, more or less.

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 11 and 14, Township 10 North, Range 59 West, 6th P.M., are subject to this Rule for production of oil and gas from the Fort Hays and Carlile Formations. Section 11, Township 10 North,

Range 59 West, 6th P.M., is subject to this Rule for the Codell Formation. 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 September 19, 2011, the Commission issued Order No. 535-76 which, among other things, established an approximate 960-acre drilling and spacing unit for the $S^{1/2}$ of Section 11 and Section 14, Township 10 North, Range 59 West, 6th P.M., and authorized the drilling of four 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 the unit boundaries.

5. On April 28, 2014, the Commission issued Order No. 535-473 which, among other things, confirmed the establishment of the approximate 960-acre drilling and spacing unit for the S¹/₂ of Section 11 and Section 14, 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 the unit boundaries and an interwell setback no closer than 200 feet.

6. 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. 535-76, for the S½ of Section 11 and Section 14, 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 14 and 23, 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 setbacks of 300 feet or 100 feet from unit boundaries.

Vacating the approximate 1,280-acre drilling and spacing units established for Sections 14 and 23, Township 10 North, Range 59 West, 6th P.M., for production from the Codell and Niobrara Formations

7. Applicant herein requests the approximate 1,280-acre drilling and spacing unit established by Order No. 535-720 for Sections 14 and 23, Township 10 North, Range 59 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, be vacated. By vacating this Order, Applicant will herein propose the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, with 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.

Establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, for production from the Codell, Fort Hays, Carlile and Niobrara Formations

8. Applicant herein seeks the establishment of an approximate 1,280-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. 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.

9. 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.

10. 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.

* * *

11. 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.

12. 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.

13. That the names and addresses of interested parties (owners within the Application Lands and Section 23, Township 10 North, Range 59 West, 6th P.M., 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. Vacating the approximate 1,280-acre drilling and spacing unit established by Order No. 535-720 for Sections 14 and 23, Township 10 North, Range 59 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

B. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of 12 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 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.

C. 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.

D. Acknowledging that, should the Application be approved, Section 23, Township 10 North, Range 59 West, 6th P.M., may revert to Rule 318.a. for spacing purposes.

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

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DATED this 12th day of April, 2018.

Respectfully submitted,

8 NORTH By:

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

<u>Applicant's Address</u>: 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 | |
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| /Sean Flanagah | |

Subscribed and sworn to before me this $12^{\frac{12}{2}}$ day of April, 2018, by Sean Flanagan, Landman for 8 North, LLC.

Witness my hand and official seal.

My commission expires: 1/4/21 ANNE MICHELLE PIERINI Notary Public State of Colorado Notary ID # 20124036744 My Commission Expires 01-04-2021

- Application Lands

Township 10 North, Range 59 West, 6th P.M.

<u>Exhibit A</u> Application Map

| <u>Iownship 10 North, Range 59 West, 6^m P.M.</u> Applicat | | 1 | | 12 | | 13 | | 24 | | . 25 |
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| | | | | 10 | - · · · | 15 | · · · | | | 27 |
| | | 4 | | 6 | | 16 | | 21 | | |
| | | | | 8 | | 17 | | 20 | | 29 |
| - Existing Units | | 9 | | 7 | | 18 | | 19 | | 30 |
| \square | L | <u>.</u> | <u> </u> | L | | <u> </u> | I | <u>.</u> | <u> </u> | <u> </u> |

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 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 11 & 14, TOWNSHIP 10 NORTH, RANGE 59 WEST, 6TH P.M., AND AUTHORIZING 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: 180600476

TYPE: Spacing

CERTIFICATE OF MAILING

I, Bridget Wittrock, hereby certify that on the 19th day of April, 2018, I caused a copy of the Application in the above-referenced Docket Number to be deposited in the U.S. Mail, postage prepaid, addressed to the parties listed on <u>Exhibit B</u> attached hereto.

DATED this 20th day of April, 2018.

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- Without?

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

Docket No. 180600476

EXHIBIT B

INTERESTED PARTIES

8 North, LLC 370 17th Street, Suite 5300 Denver, CO 80202

180600476

Antelope Energy Company, LLC P. O. Box 577 Kimball, NE 69145

180600476

Buckley Family, LLC 2310 Royal Oaks Dr. Mansfield, TX 76063

180600476

Phillip J. Carland 4102 N. San Andros West Palm Beach, FL 33411

180600476

David F. Metz Trust 6890 Jennifer Lynn Dr. Cincinnati, OH 45248

180600476

Wayne W. Farthing 804 Tiffin Ave. Findlay, OH 45840

180600476

Foundation Energy Fund III-B Holding, LLC 16000 Dallas Parkway, Suite 875 Dallas, TX 75248

180600476

Doug Gorans 4330 120th Ave., S. E. Lake Lillian, MN 56253

180600476

Advantaira Trust, LLC FBO William Parnell Townley #7287501 1520 Royal Sq. Blvd. #320 Fort Myers, FL 33919 180600476

Marie Angelica Espinosa & Justin Barkley 5130 Hawley Boulevard San Diego, CA 92116 180600476

Bureau of Land Management 2850 Youngfield Street Lakewood, CO 80215

180600476

Carrizo Niobrara LLC 500 Dallas Street, Suite 2300 Houston, TX 77002

180600476

Randall W. & Teresa Kay Donald 3079 Whispering Oaks Drive Highland Village, TX 75077

180600476

Fidelity Venture Capital LTD., Jerry Jackson, General Partner 1800 Norwood, Suite 104 Hurst, TX 76054 180600476

Foundation Energy Fund IV-A, LP 16000 North Dallas Parkway, Ste 875 Dallas, TX 75248

180600476

Grace Wealth Management, LLC 10512 Lady Grace Lane Charlotte, NC 28270

180600476

1022 Investments, LP., Richard C. Latham, General Partner 8625 King George Dr., #236 Dallas, TX 75235 180600476

AEI Holdings, LLC 14901 Quorum Drive #800 Dallas, TX 75254

180600476

Kenneth Scott Bigelow 2276 Castle Gate Dr. North #923 Castle Rock, CO 80108

180600476

Terry J. Cammon 10455 W 73rd Place Arvada CO 80005

180600476

Cheridan Oil & Gas Investments, LLC P. O. Box 3285 Wenatchee, WA 98807

180600476

ELSR, LP, Bengal Jones Group, LLC, General Partner 8080 N. Central Expressway, Ste 1420 Dallas, TX 75206 180600476

Foundation Energy Fund III-A, LP 16000 North Dallas Parkway, Suite 875 Dallas, TX 75248

180600476

Foundation Energy Fund IV-B Holding, LLC 16000 Dallas Parkway, Suite 875 Dallas, TX 75248

180600476

Haimo Oil and Gas, LLC 2901 Wilcrest Drive, Suite 285 Houston, TX 77042

180600476

Hydrocarbon Minerals, LLC 9302 S. 83rd Court Hickory Hills, IL 60457

180600476

Dr. Felix Jegede 15911A Katy Fwy. Houston, TX 77094

180600476

Keiser Holding, LLC 20 South Lewis Steet Castle Rock, CO 80104

180600476

Natalia Lewallen 6512 Geneseo Circle Plano, TX 75023

180600476

Naomi K. McEndaffer 61331 Highway 71 Stoneham, CO 80754

180600476

Natcat Investments, LLC 5431 Lobello Dr. Dallas, TX 75229

180600476

Oil India (USA), Inc. 333 Clay Street, Suite 3300 Houston, TX 77002

180600476

Pat & Randi Family, LLC 2555 Florence Rd. Southlake, TX 76092

180600476

C. James & Karen A. Prieur 1300 N. State, Unit 302 Chicago, IL 60610

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Kurt G. & Maria G. Hofer 235 Westridge Dr. Tallahasse, FL 32304

180600476

Ingraham Living Trust 6456 Glennox Lane Dallas, TX 75214

180600476

Joel O. Johnson 2009 Rev. Trust 18501 13th St., NE New London, MN 56273

180600476

Kirk Duane Kirkegaard Profit Sharing Plan 8779 Fulton Street Indianola, IA 50125

180600476

Wade C. Lewis 3829 Diamond Loch LN North Richland Hills, TX 76180

180600476

McGahey Oil, LLC 5305 W Jewell Ave Lakewood, CO 80232

180600476

Nelson Ranches, Inc. 58900 County Road 382 Grover, CO 80729

180600476

Okreek Oil & Gas, LLC 999 18th Street, Suite 1120S Denver, CO 80202

180600476

Barbara Ann Pierce 609 Hickory Ct. Hurst, TX 76054

180600476

Regional Marketing Group, LLC 14901 Quorum Drive #800 Dallas, TX 75254

180600476

Hydrocarbon Holdings, LTD 9302 S. 83rd Court Hickory Hills, IL 60457

180600476

IOCL USA Inc. 333 Clay Street, Suite 3300 Houston, TX 77002

180600476

Keiser Family Properties, LLC 8735 Cypress Club Drive Raleigh, NC 27615

180600476

Jeffrey Brian Lewallen 6512 Geneseo Circle Plano, TX 75023

180600476

MAC Holdings, Inc. 50 Glenmoore Circle Englewood, Co 80113

180600476

Mile Hi Oil & Gas, Inc. P. O. Box 27296 Denver, Co 80227-0296

180600476

Nosa Investments, LLC 13601 Preston Rd., Suite E112 Dallas, TX 75240

180600476

Palace Energy Company 5 East 59th Street, 5th Floor New York, NY 10022

180600476

PL Investment, LLC 19751 E Main Street, Suite 339 Parker, CO 80138

180600476

Ridgely Partners, LTD P. O. Box 803544 Dallas, TX 75380

180600476

Liang Rong Hsu 938 Green Tree Lane Duncanville, TX 75137

180600476

The Morning Gun Exploration, LLC 1601 Arapahoe Street Denver, CO 80202

180600476

Jacqueine K. Thompson 888 Trail Ridge Road Aiken, SC 29803

180600476

Tyrone A. Thompson P. O. Box 5150 Avon, CO 81620

180600476

Verdad Resources, LLC 5950 Cedar Springs Road, Suite 200 Dallas, TX 75235

180600476

Whiting Oil & Gas Corporation 1700 Broadway, Suite 2300 Denver, CO 80290

180600476

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

180600476

Ray Schramm 3318 S. Dayton Ct. Denver, CO 80231

180600476

The Ragland Living Trust 6936 Helsem Way Dallas, TX 75230

180600476

Richard H. & Marjorie L. Thompson 820 N. Winningkoff Road Lucas, TX 75002

180600476

Joseph & Julie Vandehey 20120 218th Ave. NE Woodinville, WA 98077

180600476

Western Operating Co 518 17th St., Suite 200 Denver, CO 80202

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

180600476

Starbridge Group, LLC 13611 Greystone Drive Dallas, TX 75244

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Thomas C. Hansen II TR UA Helen Hansen CST 383 Villa Dr. South Lake Worth, FL 33462 180600476

Tyrone Thompson Drawer 5150 Avon, CO 81620

180600476

Verdad Resources Nominee Company 5950 Cedar Springs Road, Suite 200 Dallas, TX 75235

180600476

Nancy L. White P O Box 328 Iliff, CO 80736

180600476

Troy Swain Weld County Dept. of Planning Services 1555 North 17th Ave. Greeley, CO 80631 180600476