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 APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 19 & 30, 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 640-acre drilling and spacing units established by Order Nos. 535-90 and 535-352 for Sections 19 and 30, Township 10 North, Range 59 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and (2) establishing an approximate 1,280-acre drilling and spacing unit for Sections 19 and 30, Township 10 North, Range 59 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and (2) establishing an approximate 1,280-acre drilling and spacing unit for Sections 19 and 30, 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 19:AllSection 30: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 19 and 30, Township 10 North, Range 60 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 October 31, 2011, the Commission issued Order No. 535-90 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 19, Township 10 North, Range 59 West, 6th P.M., and authorized the drilling of two 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 and an interwell setback no closer than 1,200 feet.

5. On March 15, 2013, the Commission issued Order No. 535-280 which, among other things, confirmed the establishment of an approximate 640-acre drilling and spacing unit for Section 19, 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 and an interwell setback no closer than 600 feet.

6. On March 25, 2013, the Commission issued Order No. 535-289 which, among other things, pooled all interests within the approximate 640-acre drilling and spacing unit, established by Order 535-90, for Section 19, Township 10 North, Range 59 West, 6th P.M., for development and operation of the Niobrara Formation, and authorized cost recovery and statutory risk penalties associated with drilling, completing and operating of the Jones 19-11-10-59 well. Of note, the Jones 19-11-10-59 well was not drilled during its two-year permit life.

7. On June 17, 2013, the Commission issued Order No. 535-352 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 30, 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 the unit boundaries and an interwell setback no closer than 300 feet.

8. On July 29, 2013, the Commission issued Order No. 535-375 which, among other things, confirmed the establishment of an approximate 640-acre drilling and spacing unit for Section 19, 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 the unit boundaries and an interwell setback no closer than 300 feet.

Vacating the approximate 640-acre drilling and spacing units established by separate Commission order for Sections 19 and 30, Township 10 North, Range 59 West, 6th P.M., for production from the Niobrara Formation

9. Applicant herein requests the approximate 640-acre drilling and spacing units established by Order Nos. 535-90 and 535-352 for Sections 19 and 30, Township 10 North, Range 59 West, 6th P.M.,

for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, be vacated. By vacating these Orders, 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

10. 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.

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.

* * *

13. 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.

14. 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.

15. 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. Vacating the approximate 640-acre drilling and spacing units established by Order Nos. 535-90 and 535-352 for Sections 19 and 30, Township 10 North, Range 59 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

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

{The remainder of this page is intentionally left blank}

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 | |
|----------------|--|
| 11-2 | |
| Kan flanger | |
| /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

| Applicat | | | | | | | | | |
|---|-------------|-----------|--------|-----------------|----|-------------|------|---------|----------|
| Ap | ! | <i>I</i> | 12 | <u></u> . | 13 | | | · · · _ | 25 |
| | | | | | | | | | |
| | | | | | | | | | |
| <u>-</u> 1 | — · — · — | | | ·· | 14 | · — · — · · | - 23 | · · · _ | - 26 |
| 21.7 | | | | | | | | | |
| vest, t | | | 10 | | 15 | | 22 | | 27 |
| א ר ר | _ · _ · _ · | ∾ | | • · · | | · · · | | · · · _ | |
| ange | | | | | | | | | |
| Ϋ́Υ | | | 6 | | 16 | | 21 | | 28 |
| | | | | ··· | | · — · — · | | · · · _ | |
| T dIL | | | | | | | | | |
| Iownsnip tu North, Kange 59 West, 6''' P.IVI. | | | ∞ | | 17 | | 20 | | 29 |
| 2 | — · — · — | <u>-</u> | | ···—· | | · — · — · | | · · · _ | |
| | | | | | | | | | |
| nits | | | | | 18 | | 19 | | 30 |
| - Existing Units | | <i></i> | × | - · _ · _ · _ · | | <u> </u> | | | <u>ω</u> |
| - Exist | | | | | | | | | |
| \square | | | | | | | | | |
| | | | | | | | | | |

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 APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 19 & 30, 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: 180600477

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.

Shoutter) -

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

EXHIBIT B

INTERESTED PARTIES

AEI Holdings, LLC 15305 Dallas Parkway, Suite 300 Addison, TX 75001

180600477

Bureau of Land Management 2850 Youngfield Street Lakewood, CO 80125

180600477

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

180600477

DPOC, LLC 1821 Blake Street, Suite 2B Denver, CO 80202

180600477

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

180600477

Liang Rong Hsu 938 Green Tree Lane Duncanville, TX 75137

180600477

IOCL (USA) Inc. 33 Clay Street, Suite 3300 Houston, TX 77002

180600477

Deborah LeJeune 1807 Hugar Avenue Cheyenne, WY 82001

180600477

Grant Avery 15542 Frontage Rd. Plainfield, IL 60544

180600477

C & C Huang Family Limited Partnership 6106 Aberdeen Ave. Dallas, TX 75230

180600477 Gerald & Gloria Casteel 828 Parkwood Court McKinney, TX 75070

180600477

Maria Angelica Espinosa 5130 Hawley Boulevard San Diego, CA 92116

180600477

Hydrocarbon Minerals, LLC P.O. Box 2157 Bridgeview, IL 60455

180600477

IOCL India (USA) Inc. 333 Clay Street, Suite 3300 Houston, TX 77042

180600477

Jeffrey Brian Lewallen 6512 Geneseo Circle Plano, TX 75023

180600477

Katherine G. Marine 1262 Calle Concordia Tuscon, AZ 85704

180600477

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

180600477

Justin Barkley 5130 Hawley Boulevard San Diego, CA 92116

180600477

Max L. Campbell 12873 W Harvard Avenue Denver, CO 80228

180600477

Diana Rose Green 112 Shortite Riverton, WY 82501

180600477

Henson Family Trust 959 Calle Collado Thousand Oaks, CA 91360

180600477

Ingraham Living Trust Dated August 14, 1998 6456 Glennox Lane Dallas, TX 75214 180600477

Kirk Duane Kirkegaard Profit Sharing Plan 8779 Fulton Street Indianola, Iowa 50125 180600477

Natalia Lewallen 6512 Geneseo Circle Plano, TX 75023

180600477

Daren Mefford 8172 State Route 235 North Lewistown, OH 43333

180600477

Mekusukey Oil Company, LLC P. O. Box 816 Wewonka, OK 74884

180600477

NOSA Investments, LLC 14901 Quorum Drive #800 Dallas, TX 75254

180600477

Regional Marketing Group LLC 13601 Preston Rd., Suite E112 Dallas, TX 75240

180600477

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

180600477

William P. Townley Living Trust 10246 SE 110th St. Belleview, FL 34420

180600477

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

180600477

Michael E. & Mary F. Manoloff 4172 Middle Urbana Rd. Urbana, OH 43078

180600477

Dayle Mefford 7489 Highway 789 Lander, WY 82520

180600477

Mike's Oil Well, LLC 108 Martinke Lane Palmer, TX 75152

180600477

Oil India (USA) Inc. 33 Clay Street, Suite 3300 Houston, TX 77002

180600477

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

180600477

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

180600477

Donald W. Mefford P. O. Box 332 Virginia City, MT 59755

180600477

Nelson Ranches, Inc. 58900 CR 392 Grover, CO 80729

180600477

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

180600477

Starbridge Group, LLC 13611 Greystone Drive Dallas, TX 78244

180600477

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

180600477

Troy Swain Weld County Dept. of Planning Services 1555 North 17th Ave. Greeley, CO 80631 180600477