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 21 & 28, TOWNSHIP 10 NORTH, RANGE 60 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 unit established by Order No. 535-28 for Section 28, Township 10 North, Range 60 West, 6th P.M., and authorized the drilling of one horizontal well within the unit, for the 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. 535-234 for Sections 16 and 21, Township 10 North, Range 60 West, 6th P.M., and authorized the drilling of 10 horizontal wells within said unit, 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 21 and 28, Township 10 North, Range 60 West, 6th P.M., and authorized 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 60 West, 6th P.M.Section 21:AllSection 28: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 21 and 28, 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 June 27, 2011, the Commission issued Order No. 535-28 which, among other things, established approximate 640-acre drilling and spacing units for Sections 21 and 28, Township 10 North, Range 60 West, 6th P.M., and authorized the drilling of one horizontal well within each unit, for the 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 January 7, 2013, the Commission issued Order No. 535-234 which, among other things, vacated the approximate 640-acre drilling and spacing unit established by Order No. 535-28 for Section 21, Township 10 North, Range 60 West, 6th P.M., and established an approximate 1,280-acre drilling and spacing unit for Sections 16 and 21, Township 10 North, Range 60 West, 6th P.M., and authorized the drilling of 10 horizontal wells within said unit, for the 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 460 feet.

Vacating the approximate 1,280-acre drilling and spacing unit established for Sections 16 and 21, Township 10 North, Range 60 West, 6th P.M., for production from the Niobrara Formation, and the approximate 640-acre drilling and spacing unit established for Section 28, Township 10 North, Range 60 West, 6th P.M., for production from the Niobrara Formation

6. Applicant herein requests the approximate 640-acre drilling and spacing unit for Section 28, Township 10 North, Range 60 West, 6th P.M., established by Order No. 535-28, and authorized the drilling of one horizontal well within the unit, for the 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. 535-234 for Sections 16 and 21, Township 10 North, Range 60 West, 6th P.M., and authorized the drilling of 10 horizontal wells within said unit, 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

7. 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.

8. 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.

9. 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.

* * *

10. 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.

11. 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.

12. That the names and addresses of interested parties (owners within the Application Lands and Section 16, Township 10 North, Range 60 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 640-acre drilling and spacing unit established by Order No. 535-28 for Section 28, Township 10 North, Range 60 West, 6th P.M., and authorized the drilling of one horizontal well within the unit, for the 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. 535-234 for Sections 16 and 21, Township 10 North, Range 60 West, 6th P.M., and authorized the drilling of 10 horizontal wells within said unit, 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. Acknowledging that Section 16, Township 10 North, Range 60 West, 6th P.M., may revert to Rule 318.a. for purposes of spacing the Niobrara Formation should the approved Application.

E. 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	
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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 60 West, 6th P.M.

<u>Exhibit A</u> Application Map

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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 21 & 28, TOWNSHIP 10 NORTH, RANGE 60 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: 180600482

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.

Sharttell teching

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

EXHIBIT B

INTERESTED PARTIES

AED Group, LLC 3801 E. Flordia Ave., Suite 508 Denver, CO 80210

180600482

Andrew R. Bailey and Lynne D. Fox Trust 217 Rimrock Drive Evanston, WY 82930 180600482

James Artz 331 14th Ave. San Francisco, CA 94118

180600482

Linda Grant Artz 4627 22nd Ave. NW Calgary, Alberta, Canada T3B OX9

180600482

Douglas Vincent a/k/a Douglas Andrew and Rhonda Bailey 2130 Elsie Avenue Heyburn, ID 83336 180600482

Laura Bailey 352 Nature Trail Westerville, OH 43082

Sean M. Bailey 9205 Red Mountain Road Livermore, CO 80536-8946

Christine M. Benson 150 London Place Gilroy, CA 95020

180600482

Amcon Resources P.O. Box 3025 Oklahoma City, OK 73101

180600482

Bobbi Artz 259 Grand Olympia Dr. Henderson, NV 89012

180600482

Keith & Karen Artz 3221 NE 92nd Seattle, WA 98115

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Robert & Lillian Artz 5735 Franklin Lincoln, NB 68506

180600482

Hugh Bailey 4971 Hessel Road Sebastopol, CA 95472

180600482

Maria Bailey 801 North 41st Avenue Omaha, NE 68131

Thomas (Tommy) L. and Sandra L. Bailey 18355 Ridgefield Road NW Seattle, WA 98177

James E. Benson 954 Henderson Avenue, Space 67 Sunnyvale, CA 94086

180600482

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

180600482

Stephanie Clothier Anderson 213 NW Sunset Land Grimes, IA 50111

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Gary Artz 135 Willow AV, Apt. 2 Snohonish, WA 98290

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Kelly Artz 2714 N 159th Drive Goodyear, AZ 85395

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Tom J. Artz 6801 Bucks Circle Lincoln, NE 68523

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Larkin Bailey 821 Berkley Run Atlanta, GA 30342

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Matthew C. Bailey 2751 Via Venado Santa Fe, NM 87505

Donna Beedle 610 N. Murray Boulevard Colorado Springs, CO 80915

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Lorna M. Bourke 8169 E. 5th Ave. Denver, CO 80230

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Carol Quiat Leight Living Trust 225 S. Dexter St. Denver, CO 80246

180600482

Gary Clothier 212 Horsefield Drive Epworth, IA 52045

180600482

Scott Clothier 30796 View Ridge Lane Menifee, CA 92584

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Burnell F. Clark and Diane R. Clark Family Trust dated March 15, 1994 17114 185th Avenue, NE Woodville, WA 98072 180600482

Firefly Resources, LLC 15573 E 109th Avenue Commerce City, CO 80022

180600482

GRP Energy, LP 5956 Sherry Lane Suite 1221 Dallas, TX 75225

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David Holl 5226 Brookview Dr. Dallas, TX 75220

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Jacqueline Bolshoun 4054 S. Poplar Way Denver, CO 80237

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Dan Clothier 6714 Chelson Court Johnston, IA 50131

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Kandi Clothier 8251 Bryant Drive Huntington Beach, CA 92647

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Currie Partners, Ltd. 2600 Inwood Ct. Midland, TX 79705

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Estate of Dee J. Shull (C/O) Mike Shull 53004 Weld County Road 100 Grover, CO 80729

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Kevin Clothier 3010 E. 3rd Street #10 Long Beach, CA 90814

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DDFS Partnership, LP 8585 North Stemmons Frwy, #1100N Dallas, TX 75247

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Eugene R. and Helen J. Bailey Living Trust 1713 Converse Avenue Cheyenne, WY 82001 180600482

Denise Y. and Jay D. Harris 60700 252 Avenue Mantorville, MN 55955

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Mark P. Hollis 49 Single Road Douglas, WY 82633

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Imago Enterprises, Inc. 140 Palmer Dr. Fort Collins, CO 80525

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Bill Howard 2600 Inwood Ct. Midland, TX 79705

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IOCL (USA) Inc. 333 Clay St., #3300 Houston, TX 77002

180600482

John M. Bailey Family Trust 1735 Dodge Road Cheyenne, WY 82009

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Lotus Land & Minerals, LLC P.O. Box 461109 Glendale, CO 80246-1109

180600482

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

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Mitchell Royalty, Limited Partnership 17878 W. 77th Street North Haskell, OK 74436

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Next Generation, LLC c/o Nicolette Rounds 3773 Cherry Creek North Dr., # 575 Denver, CO 80209 180600482

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JoAnn Pozega 1817 W. Park Avenue Anaconda, MT 59711

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Frances Kelley 20119 8th Avenue South Seatlle, WA 98198

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MAP2012-OK 101 N Robinson, Suite 1000 Oklahoma City, OK 73102

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

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Morning Gun Exploration 1601 Arapahoe Street, Box 1 Denver, CO 80202

180600482

Noble Energy WyCo, LLC 1625 Broadway, #2200 Denver, CO 80202

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Tamera K. Martin 790 Hwy 86 Dimmmitt, TX 79027

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Emilie S. Milstein 297 Marlborough Rd. Brooklyn, NY 11226

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Mustang Minerals, LLC P.O. Box 2073 Edmond, OK 73083

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Noble Energy, Inc. 1625 Broadway, Suite 2200 Denver, CO 80202

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Oil India (USA) Inc. 333 Clay St., #3300 Houston, TX 77002

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Clifford Schmoker 701 3rd Avenue SW Jamestown, ND 58401

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Gerry Schmoker Box 388 Medical Lake, WA 99022

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Richard Schmoker 2501 W. 67th Avenue Anchorage, AK 99502

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Terry Schmoker 2324 W. 231st Torrance, CA 90501

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Richard Sinclair 3617 County Road 82E 3617 Livermore, CO 80536

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Swanson Production Company 339 Indian Paintbrush Dr. Golden, CO 80410

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Rusty (Russell) Varineau 2834 East Devon St. Tucson, AZ 85716

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Deborah Wald 509 3rd Street W Edgeley, ND 58433

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

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Darin Schmoker 14000 Kegley Road NW Silverdale, WA 98383

180600482

James Schmoker 110 5th Street SE LaMoure, ND 58458

180600482

Ronnie Schmoker 6419 95th Avenue SE Dickey, ND 58431

180600482

Teresa Sgalio 16813 Hamptons Landing Road Charlotte, NC 28277

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William (Billy) Landis Sinclair 469 W. River Road Worland, WY 82401

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Craig G. Taylor 600 N. Marienfeld, Suite 1020 Midland, TX 79701

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

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Weld County P. O. Box 758 Greeley, CO 80631

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Kathryn Sue Yrique 5856 Ixias Lane San Jose, CA 95124

Colo. Parks & Wildlife Attn: Brandon Marette 6060 Broadway Denver, CO 80216 Don Schmoker 1848 W. 257th Street Lomita, CA 90717

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Noel Schmoker 6323 95thj Avenue SE Dickey, ND 58431

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Steve Schmoker 17407 Elgar Avenue Torrance, CA 90504

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Mike D. Shull 53004 County Road 100 Grover, CO 80729

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Ellen Anne Spellman 6870 Upham Street Arvada, CO 80003

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Troy Swain Weld County Dept. of Planning Services 1555 North 17th Ave. Greeley, CO 80631 180600482