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 22 & 27, 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 27, 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. 535-233 for Sections 15 and 22, 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 22 and 27, Township 10 North, Range 60 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 60 West, 6th P.M.Section 22:AllSection 27: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 22 and 27, 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 22 and 27, 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. 535-233 which, among other things, vacated the approximate 640-acre drilling and spacing unit established by Order No. 535-28 for Section 22, Township 10 North, Range 60 West, 6th P.M., and established an approximate 1,280-acre drilling and spacing unit for Sections 15 and 22, Township 10 North, Range 60 West, 6th P.M., and established an approximate 1,280-acre drilling and spacing unit for Sections 15 and 22, 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 15 and 22, 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 27, 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 27, 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. 535-233 for Sections 15 and 22, 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 15, Township 10 North, Range 60 West, 6^{th} 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 27, 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. 535-233 for Sections 15 and 22, 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 15, 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.

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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.

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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 60 West, 6th P.M.

<u>Exhibit A</u> Application Map

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- Existing Units		<i></i>		7	- · · ·	18	· · ·	19		30
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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 22 & 27, 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: 180600483

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.

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

EXHIBIT B

INTERESTED PARTIES

Stephanie Clothier Anderson 213 NW Sunset Land Grimes, IA 50111

180600483

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

180600483

Kelly Artz 2714 North 159th Dr. Goodyear, AZ 85395

180600483

Douglas Vincent a/k/a Douglas Andrew and Rhonda Bailey 2130 Elsie Avenue Heyburn, ID 83336 180600483

Laura Bailey 352 Nature Trail Westerville, OH 43082

180600483

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

180600483

Christine M. Benson 150 London Place Gilroy, CA 95020

180600483

Michael J. Benson 150 London Place Gilroy, CA 95020

180600483

Andrew R. Bailey and Lynne D. Fox Trust 217 Rimrock Drive Evanston, WY 82930 180600483

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

180600483

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

180600483

Hugh Bailey 4971 Hessel Road Sebastopol, CA 95472

180600483

Maria Bailey 801 North 41st Avenue Omaha, NE 68131

180600483

Thomas (Tommy) L. and Sandra L. Bailey 18355 Ridgefield Road NW Seattle, WA 98177 180600483

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

180600483

Robert C. Benson II 5515 Fifer Lane Kelseyville, CA 95451-9426

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

180600483

Bobbi Artz 259 Grand Olympia Drive Henerson, NV 89012

180600483

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

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Tom J. Artz 6801 Bucks Circle Lincoln, NE 68523

180600483

Larkin Bailey 821 Berkley Run Atlanta, GA 30342

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

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

180600483

Mark A. Benson Inmate #151311 A.S.P.C. Lewis P.O. Box 3100 Buckeye, AZ 85326 180600483 Bison Oil & Gas II, LLC 518 17th Street, Suite 1800 Denver, CO 80202

180600483

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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

180600483

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

180600483

Michael W. Gaynor 212 Seashore Ct. Marco Island, FL 34145

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

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David Holl 5226 Brookview Dr. Dallas, TX 75220

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Dana Clothier Hughes 6025 Nottingham Drive Johnston, IA 50131

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James C. Taylor Investments, LP #2 Hanover Drive Midland, TX 79705

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Border Resources, LLC 5300 DTC Parkway, Suite 230 Greenwood Village, CO 80111

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Duane Clothier 860 Tuscany Avenue #307 Playa Del Rey, CA 90293

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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

180600483

Eugene R. and Helen J. Bailey Living Trust 1713 Converse Avenue Cheyenne, WY 82001 180600483

Vere W. Gaynor 213 East 3rd Street Cincinnati, OH 45202

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Donna D. Henson 959 Calle Collado Thousand Oaks, CA 91360

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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

180600483

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

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Julie Ann and Gary Brown 6127 Crystal View Drive Indianapolis, IN 46327

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Gary Clothier 212 Horsefield Drive Epworth, IA 52045

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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 180600483

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

180600483

Henson Family Trust 959 Calle Collado Thousand Oaks, CA 91360

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Barbara Keyworth 894 E. 35th Avenue Eugene, OR 97405

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Katherine Marine 1262 Calle Concordia Tuscon, AZ 85704

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Morning Gun Exploration, LLC 1601 Arapahoe St. Denver, CO 80202

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Okreek Oil & Gas II, LLC 999 18th Street, Suite 11205 Denver, CO 80202

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Gerald Roth 3200 WCR 49 Greeley, CO 80631

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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

180600483

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

180600483

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

180600483

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

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

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JoAnn Pozega 1817 W. Park Avenue Anaconda, MT 59711

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

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Marie P. Norris 1020 Ridge Road Terre Haute, IN 47803

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Carol Richter 705 S. 1st Street Plattsmouth, NE 68048

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Aurelia Schmoker 423 18th Street, Apt. 321 Jamestown, ND 58401

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Darin Schmoker 14000 Kegley Road NW Silverdale, WA 98383

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James Schmoker 110 5th Street SE LaMoure, ND 58458

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Ronnie Schmoker 6419 95th Avenue SE Dickey, ND 58431

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Teresa Sgalio 16813 Hamptons Landing Road Charlotte, NC 28277

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Ellen Anne Spellman 6870 Upham Street Arvada, CO 80003

180600483

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

180600483

The Peter T. Gaynor Revocable Trust, dated January 10, 2010 255 East Fifth St., Suite 2700 Cincinnati, OH 45202 180600483

Deborah Wald 509 3rd Street W Edgeley, ND 58433

180600483

William C. Taylor Investments, LP #2 Hanover Drive Midland, TX 79705

180600483

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

180600483

Trust Under The Will of Rosemary W. Chilson, c/o Vere W. Gaynor 212 East 3rd Street Cincinnati, OH 45202 180600483

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

180600483

Kathryn Sue Yrique 5856 Ixias Lane San Jose, CA 95124

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

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

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

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Troy Swain Weld County Dept. of Planning Services 1555 North 17th Ave. Greeley, CO 80631 180600483