

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

IN THE MATTER OF THE APPLICATION OF  
HIGHPOINT OPERATING CORPORATION  
FOR AN ORDER TO **AMEND ORDER NO. 421-  
17 TO INCLUDE THE FORT HAYS, CODELL  
AND CARLILE FORMATIONS**, VACATE ALL  
OR A PORTION OF ORDER NOS. 421-17, 421-  
57, 421-64 AND 421-77, AMONG OTHER  
THINGS, AND TO ESTABLISH AN  
APPROXIMATE 1,280-ACRE DRILLING AND  
SPACING UNIT FOR SECTIONS 22 AND 27,  
TOWNSHIP 12 NORTH, RANGE 63 WEST,  
6TH P.M., APPROVE UP TO SIXTEEN (16)  
HORIZONTAL WELLS WITHIN THE UNIT, AND  
APPROVE 150' REDUCED UNIT BOUNDARY  
SETBACKS FOR THE NIOBRARA AND FT.  
HAYS FORMATIONS AND 300' SETBACKS  
FOR THE CODELL AND CARLILE  
FORMATIONS, FOR THE PRODUCTION OF  
OIL, GAS AND ASSOCIATED  
HYDROCARBONS FROM THE CODELL,  
CARLILE, FORT HAYS AND NIOBRARA  
FORMATIONS, HEREFORD FIELD, WELD  
COUNTY, COLORADO

CAUSE NO. 421

DOCKET NO. 180700564

TYPE: SPACING

**AMENDED APPLICATION**

HighPoint Operating Corporation (Operator No. 10071) ("HighPoint" or "Applicant"), by and through its attorneys, Jost Energy Law, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to: 1) ~~vacate~~ **amend Order No. 421-17 which established** the approximate 1,265-acre exploratory drilling and spacing unit ~~established by Order No. 421-17~~ for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., **for the production from the Niobrara Formation, to include the Fort Hays, Codell and Carlile Formations;** 2) vacate the 1,280-acre drilling and spacing unit established by Order No. 421-57 for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation; 3) vacate Order No. 421-64 as it relates to Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation; 4) vacate Order No. 421-77 as it relates to Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation; 5) ~~maintain~~ vacate Order No. 421-87 for the Fox Creek 223-3422H Well (API No. 05-123-42580), for the development and operation of the Codell and Niobrara Formations; 6) ~~establish an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 12 North, Range 63 West, 6th P.M. for production of oil, gas and associated~~

hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; 7) authorize **fifteen (15) new horizontal wells, for a total of** up to sixteen (16) horizontal wells in the approximate 1,280-acre unit for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; and 7) provide for 150' reduced setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Niobrara and Ft. Hays Formations, 300' setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Codell and Carlile Formations, and 150' inter-well setbacks from any wellbore within the unit, for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly organized and authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.

2. Applicant is an Owner as defined by the Colorado Oil and Gas Conservation Act and Commission Rules and owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 12 North, Range 63 West, 6<sup>th</sup> P.M.

Section 22: All that portion lying within the State of Colorado

Section 27: All

Weld County, Colorado, 1,280-acres, more or less.

A reference map of the Application Lands is attached hereto.

3. Applicant is requesting to vacate the relief granted in multiple Orders described below in order to consolidate Applicant's requested relief described in this Application into one concise Order for the Application Lands.

4. On February 22, 2010 (corrected January 19, 2012), the Commission entered into Order No. 421-1 which, among other things, established two approximate 640-acre drilling and spacing units for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., and approved one horizontal well within each unit, for the development and operation of the Niobrara Formation, with the productive interval of the wellbore to be located no closer than 600 feet from the unit boundaries, without exception being granted by the Director.

5. On January 7, 2013, the Commission entered Order No. 421-17 which, among other things, vacated two approximate 640-acre drilling and spacing units established by Order No. 421-1 for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., and established an approximate 1265-acre stand-up exploratory drilling and spacing unit for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M.,

and approved up to ten wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

6. On January 26, 2015 (amended as of April 13, 2015), the Commission entered Order No. 421-57 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., and approved one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

7. On July 20, 2015, the Commission entered Order No. 421-64 which, among other things, modified Order No. 421-57 to allow for a total of up to six horizontal wells within the approximate 1,280-acre drilling and spacing unit established for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the productive interval of the wellbore to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director.

8. On December 12, 2016, the Commission entered Order No. 421-77 which, among other things, modified Order Nos. 421-57 and 421-64 to allow the productive interval of any permitted well to be located no closer than 300 feet from the unit boundaries of the approximate 1,280-acre drilling and spacing unit established for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., for the production of the oil, gas, and associated hydrocarbons from the Codell Formation.

9. On March 20, 2017, the Commission entered Order No. 421-87 which, among other things, pooled all interests within an approximate 1,280-acre drilling and spacing unit established for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., and subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., for the drilling of the Fox Creek 223-3422H Well (API No. 05-123-42580), for the development and operation of the Codell and Niobrara Formations.

10. The records of the Commission reflect that one horizontal well has been drilled but not completed to the Niobrara Formation on the Application Lands, the Fox Creek #223-3422H Well (API No. 05-123-42580), which will not be completed by Applicant due to downhole issues **and will be plugged at some point in the future**. The records of the Commission further reflect that one horizontal well has been drilled and completed to the Niobrara Formation on the Application Lands, the Fox Creek #222-3422H Well (API No. 05-123-42582), a replacement well for the Fox Creek #223-3422H. Applicant requests that the Fox Creek #222-3422H allocate to the new proposed 1,280-acre unit for the Application Lands, and be included as one of the sixteen (16) requested horizontal wells within the Application Lands.

11. The records of the Commission reflect that the following six (6) Applications for Permits to Drill (APDs) are approved within the Application Lands for the Codell Formation:

Well Name	API No.	Operator
Fox Creek #515-3422H	05-123-42592	Applicant
Fox Creek #518-3422H	05-123-42590	Applicant
Fox Creek #519-3422H	05-123-42600	Applicant
Fox Creek #222-3422H	05-123-42582	Applicant
Fox Creek #223-3422H	05-123-42580	Applicant
Fox Creek #500-3422H	05-123-42578	Applicant

Upon approval of this Application, Applicant will file sundry notices for each of the approved APDs listed above to reflect the requested relief described herein.

12. To promote efficient drainage within the Codell, Carlile, Fort Hays and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should 1) ~~vacate~~ **amend Order No. 421-17 which established** the approximate 1,265-acre exploratory drilling and spacing unit ~~established by Order No. 421-17~~ for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., **for the production from the Niobrara Formation, to include the Fort Hays, Codell and Carlile Formations;** 2) vacate the 1,280-acre drilling and spacing unit established by Order No. 421-57 for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation; 3) vacate Order No. 421-64 as it relates to Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation; 4) vacate Order No. 421-77 as it relates to Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation; 5) ~~maintain~~ vacate Order No. 421-87 for the Fox Creek 223-3422H Well (API No. 05-123-42580), for the development and operation of the Codell and Niobrara Formations; 6) ~~establish an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 12 North, Range 63 West, 6th P.M. for production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations;~~ 7) authorize **fifteen (15) new horizontal wells, for a total of** up to sixteen (16) horizontal wells in the approximate 1,280-acre unit for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; and 7) provide for 150' reduced setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Niobrara and Ft. Hays Formations, 300' setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Codell and Carlile Formations, and 150' inter-well setbacks from any wellbore within the unit, for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the Application Lands.

13. The above-proposed drilling and spacing unit will allow efficient drainage of the Codell, Carlile Fort Hays and Niobrara Formations, will prevent waste, will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.

14. The Applicant is requesting to drill and complete fifteen (15) new horizontal wells, for a total of up to sixteen (16) horizontal wells within the unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations within the approximate 1,280-acre drilling and spacing unit composed of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.

15. The Applicant maintains that the wells proposed for the development of the Application Lands will be drilled from no more than five well pads, including the existing well pads, unless an exception is granted by the Director.

16. The treated interval of each proposed horizontal well shall be no closer than 150 feet from the boundaries of the unit (regardless of the lease lines within the unit) for production from the Niobrara and Ft. Hays Formations, 300 feet from the boundaries of the unit (regardless of the lease lines within the unit) for production from the Codell and Carlile Formations, and **the treated interval of** all horizontal wells shall be no closer than 150 feet from the treated interval of any other well within the unit, unless an exception is granted by the Director.

17. The undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing on July 30-31, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order:

A. ~~Vacating~~ **Amending Order No. 421-17 which established** the approximate 1,265-acre exploratory drilling and spacing unit ~~established by Order No. 421-47~~ for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., **for the Niobrara Formation, to include the Fort Hays, Codell and Carlile Formations;**

B. Vacating the 1,280-acre drilling and spacing unit established by Order No. 421-57 for Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation;

C. Vacating Order No. 421-64 as it relates to Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation;

D. Vacating Order No. 421-77 as it relates to Sections 22 and 27, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation;

E. ~~Maintaining~~ **Vacating** Order No. 421-87 for the Fox Creek 223-3422H Well (API No. 05-123-42580), for the development and operation of the Codell and Niobrara Formations;

F. ~~Establishing an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 12 North, Range 63 West, 6th P.M. for production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations and Approving~~ **fifteen (15) new horizontal wells for total of** up to sixteen (16) horizontal wells in the approximate 1,280-acre unit for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations;

G. Providing that the Fox Creek #222-3422H Well (API No. 05-123-42582) allocate to the new proposed 1,280-acre unit for the Application Lands as one of the requested sixteen (16) horizontal wells within the Application Lands.

H. Providing that the productive interval of any horizontal well in the unit shall be no closer than 150 feet from the boundaries of the unit (regardless of the lease lines within the unit) for production from the Niobrara and Ft. Hays Formations, 300 feet from the boundaries of the unit (regardless of the lease lines within the unit) for production from the Codell and Carlile Formations, and **the treated interval of** all horizontal wells shall be no closer than 150 feet from the treated interval of any other well within the unit, and authorizing a total of five well pads in the unit, unless an exception is granted by the Director;

I. Finding that an approximate 1,280-acre drilling and spacing unit for the development of the Codell, Carlile, Fort Hays and Niobrara Formations on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell, Carlile, Fort Hays and Niobrara Formations on the Application Lands.

J. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED June 22<sup>nd</sup>, 2018.

Respectfully submitted:

**HighPoint Operating Corporation**

By: 

\_\_\_\_\_  
Jamie L. Jost  
Kelsey H. Wasylenky  
Jost Energy Law, P.C.  
Attorneys for Applicant  
1401 17th Street, Suite 370  
Denver, Colorado 80202  
(720) 446-5620

Applicant's Address:

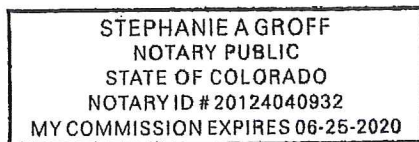
HighPoint Operating Corporation  
ATTN: Gabriel Findlay  
1099 18th Street, Suite 2300  
Denver, CO 80202

STATE OF COLORADO                         )  
  ) ss:  
CITY AND COUNTY OF DENVER           )

  
Gabriel Findlay  
Land Manager - Operations  
HighPoint Operating Corporation

Subscribed and sworn to before me this 22<sup>nd</sup> day of June, 2018.

[SEAL]



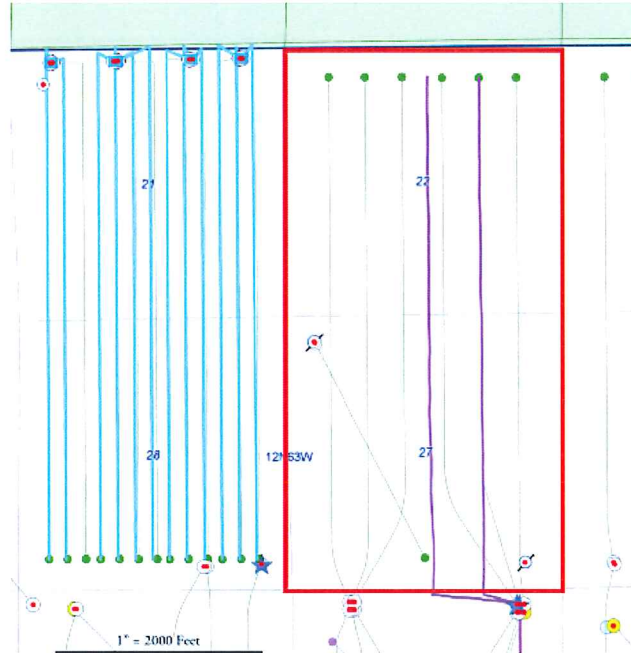
My commission expires: June 25, 2020

  
Notary Public



## Reference Map

Sections 22 and 27, Township 12 North, Range 63 West, 6th P.M.



Application Lands:



IN THE MATTER OF THE APPLICATION OF  
HIGHPOINT OPERATING CORPORATION FOR  
AN ORDER TO **AMEND ORDER NO. 421-17 TO  
INCLUDE THE FORT HAYS, CODELL AND  
CARLILE FORMATIONS**, VACATE ALL OR A  
PORTION OF ORDER NOS. 421-17, 421-57,  
421-64 AND 421-77, AMONG OTHER THINGS,  
AND TO ESTABLISH AN APPROXIMATE 1,280-  
ACRE DRILLING AND SPACING UNIT FOR  
SECTIONS 22 AND 27, TOWNSHIP 12 NORTH,  
RANGE 63 WEST, 6TH P.M., APPROVE UP TO  
SIXTEEN (16) HORIZONTAL WELLS WITHIN  
THE UNIT, AND APPROVE 150' REDUCED  
UNIT BOUNDARY SETBACKS FOR THE  
NIOBRARA AND FT. HAYS FORMATIONS AND  
300' SETBACKS FOR THE CODELL AND  
CARLILE FORMATIONS, FOR THE  
PRODUCTION OF OIL, GAS AND  
ASSOCIATED HYDROCARBONS FROM THE  
CODELL, CARLILE, FORT HAYS AND  
NIOBRARA FORMATIONS, HEREFORD FIELD,  
WELD COUNTY, COLORADO

TYPE: SPACING

STATE OF COLORADO )  
 )ss.  
CITY AND COUNTY OF DENVER )

Jamie L. Jost  
Kelsey H. Wasylenky

Witness my hand and official seal.

**CHARLOTTE LAWLESS**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
**NOTARY ID 20144023899**  
**MY COMMISSION EXPIRES JUNE 16, 2022**

**EXHIBIT A**  
**HIGHPOINT - SP - T12N-R63W Sec 22 & 27**

8 North, LLC  
1888 Sherman Street  
Suite 200  
Denver, CO 80203

Longs Peak Resources, LLC  
2323 South Shepherd Dr.  
Suite 1150  
Houston, TX 77019

Anadarko E&P Onshore, LLC  
1099 18th  
Suite 1800  
Denver, CO 80202

Macquarie Oil and Gas Holdings, Inc.  
333 Clay Street  
Suite 4200  
Houston, TX 77002

Clear Creek Energy Fund I-B, LP  
717 17th Street  
Suite 1525  
Denver, CO 80202

R.K. Pinson & Associates, LLC  
621 17th St  
Suite 1555  
Denver, CO 80293

Clear Creek Resource Partners Holdings, LLC  
717 17th Street  
Suite 1525  
Denver, CO 80202

Samson Exploration, LLC  
110 West 7th Street  
Suite 2000  
Tulsa, OK 74119

Halliburton Energy Services, Inc.  
2107 City West Blvd., Building 2  
Houston, TX 77042-3051

Cheryl Ann Jeffers  
P.O. Box 454  
Carpenter, WY 82054

HighPoint Operating Corporation  
1099 18th Street  
Suite 2300  
Denver, CO 80202

Dennis S. Flynn and Nancy L. Flynn  
714 E. Ole Maverick Road  
Cheyenne, WY 82009

Incline Niobrara Partners, LP  
5019 N. Central Expressway, Suite B  
Dallas, TX 75205

Glen Faris  
Judy A. Faris  
744 Knollwood Cir  
Fort Collins, CO 80524

Kaiser-Francis Oil Company  
6733 South Yale Avenue  
Tulsa, OK 74136

John Francis Cushing  
P.O. Box 67  
Pine Bluffs, WY 82082

Kestrel Properties, Corp.  
PO Box 39  
Morrison, CO 80465

Merlyn C. Faris  
Sheryyl E. Faris  
2238 Peru Road  
Peru, IA 50222

Overland Energy Partners Fund II, LLC  
700 17th Street  
Suite 900  
Denver, CO 80202

Phil E. Kiner and Marsha M. Kiner  
3579 Burns Avenue  
Cheyenne, WY 82009

Robert P. Breeden  
PO Box 723  
Weldona, CO 80653

The Prospect Company, a Delaware  
corporation, d/b/a/  
The Prospect-Colorado  
P.O. Box 1100  
Edmond, OK 73083-1100

Anadarko Land Corporation  
1099 18th Street  
Suite 1800  
Denver, CO 80202

Barbara A. Littig  
44265 Compiegne Drive  
Hemet, CA 92544

Black Bear Oil & Gas, LLC  
P.O. Box 621226  
Littleton, CO 80162

Don A. Kranz, Trustee of the Don A. Kranz  
Revocable Trust under agreement dated  
April 27, 2016, for the benefit of Don A.  
Kranz and Don A. Kranz's heirs  
493 County Road 154  
Carpenter, WY 82054

Duwayne Lewis and Ester Lewis  
10905 Empire Drive  
Cheyenne, WY 82009

Ester Lewis  
10905 Empire Drive  
Cheyenne, WY 82009

Ivan Lee Kranz  
861 County Road 150  
Carpenter, WY 82054

James M. Konig  
57851 County Road 81  
Grover, CO 80729

Janet F. Konig  
58710 WCR 81  
Grover, CO 80729

Joel W. Konig and Marcy J. Konig,  
as Joint Tenants  
37231 Highway 14  
Briggsdale, CO 80611-9232

John E. Von Kennel  
1131 Patio Drive  
Cheyenne, WY 82001

John L. Peters  
P.O. Box M  
Carpenter, WY 82054

John L. Peters and Sharon A. Peters, joint  
tenants  
P.O. Box M  
Carpenter, WY 82054  
Konig Investments, LLC  
57851 WCR 81  
Grover, CO 80729

Lynne M. Kranz, Trustee of the Lynne M.  
Kranz Revocable Trust under agreement  
dated April 27, 2016, for the benefit of  
Lynne M. Kranz and Lynne M. Kranz's heirs  
493 County Road 154  
Carpenter, WY 82054

Mary Ann Kirchgessner  
12229 Yellowstone Rd. NE  
Albuquerque, NM 87111

Michael D. Konig and Tina M. Konig,  
as Joint Tenants  
36679 County Road 110  
Briggsdale, Co 80611

Overland Minerals and Royalties LLC  
518 17th Street  
Suite 1005  
Denver, CO 80202

Overland Oil and Gas, LLC,  
518 17th Street  
Suite 1005  
Denver, CO 80202

Peters 313 Ranch, Inc.  
P.O. Box M  
Carpenter, WY 82054

PROVED RESERVES, LLC  
5950 Cedar Springs Rd.  
Suite 200  
Dallas, TX 75235

Shirley Price  
3064 Grier Blvd.  
Cheyenne, WY 82001

William C. Anderson  
15313 Heritage Circle  
Thornton, CO 80602

Troy Swain Weld County Department of  
Planning Services  
1555 North 17th Avenue  
Greeley, CO 80631

Kent Kuster Colorado Department of Public  
Health & Environment  
4300 Cherry Creek Drive South  
Denver, CO 80246-1530

Brandon Marette  
Energy Liaison  
Colorado Parks and Wildlife  
Northeast Regional Office  
6060 Broadway  
Denver, CO 80216