

**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 ESTABLISH AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT FOR SECTIONS 21 AND 28,
TOWNSHIP 11 NORTH, RANGE 64 WEST, 6TH
P.M., APPROVE UP TO SIXTEEN (16) NEW
HORIZONTAL WELLS WITHIN THE UNIT, AND
APPROVE REDUCED BOUNDARY
SETBACKS OF 150 FEET FOR THE
NIOBRARA AND FORT HAYS FORMATIONS,
AND 300 FEET 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. 180700____

TYPE: SPACING

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) establish an approximate 1,280-acre drilling and spacing unit for Sections 21 and 28, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; 2) approve up to sixteen (16) new horizontal wells in the approximate 1,280-acre unit; and 3) provide that the productive interval of any horizontal well in the unit shall be no closer than 150 feet from the boundaries of the unit for the Niobrara and Fort Hays Formations and no closer than 300 feet from the unit boundaries for the Codell and Carlile Formations, with 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 11 North, Range 64 West, 6th P.M.

Section 21: All

Section 28: All

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

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. Section 21 and 28, Township 11 North, Range 64 West, 6th P.M. is subject to this Rule for the Codell, Carlile, Fort Hays and Niobrara Formations.

4. The Commission records show that there are no vertical, directional or horizontal wells in the Application Lands.

5. The proposed unit contains federal minerals in the S $\frac{1}{2}$ of Section 28 of the Application Lands. Applicant intends to communicate with the Bureau of Land Management ("BLM") regarding a Communitization Agreement for the proposed 1280-acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the Application Lands.

6. 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) establish an approximate 1,280-acre stand-up drilling and spacing unit for Sections 21 and 28, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; 2) approve up to sixteen (16) new 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 3) provide that the productive interval of any horizontal well in the unit shall be no closer than 150 feet from the boundaries of the unit for the Niobrara and Fort Hays Formations and no closer than 300 feet from the unit boundaries for the Codell and Carlile Formations, with 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.

7. 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.

8. The Applicant is requesting to drill and complete up to sixteen (16) new 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.

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

10. The productive interval of each proposed horizontal well shall be no closer than 150 feet from the boundaries of the unit for the Fort Hays and Niobrara Formations, and no closer than 300 feet from the boundaries of the unit for the Codell and Carlile Formations, and all horizontal wells shall be no closer than 150 feet from the productive interval of any other well within the unit, unless an exception is granted by the Director.

11. 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 to:

A. Establish an approximate 1,280-acre stand-up drilling and spacing unit for Sections 21 and 28, Township 11 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; and approve up to sixteen (16) new 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;

B. Provide that the productive interval of any horizontal well in the unit shall be no closer than 150 feet from the boundaries of the unit for the Niobrara and Fort Hays Formations and no closer than 300 feet from the unit boundaries for the Codell and Carlile Formations; and not less than 150 feet from the productive interval of any other wellbore within the unit, and authorizing a total of four well pads in the unit, unless an exception is granted by the Director;

C. Find 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.

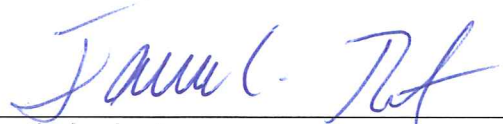
D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED May 31, 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: Bryce Doty
1099 18th Street, Suite 2300
Denver, CO 80202

VERIFICATION

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

Bryce Doty, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman for HighPoint Operating Corporation, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Bryce Doty
Landman
HighPoint Operating Corporation

Subscribed and sworn to before me this 30th day of May, 2018.

Witness my hand and official seal.

[SEAL]



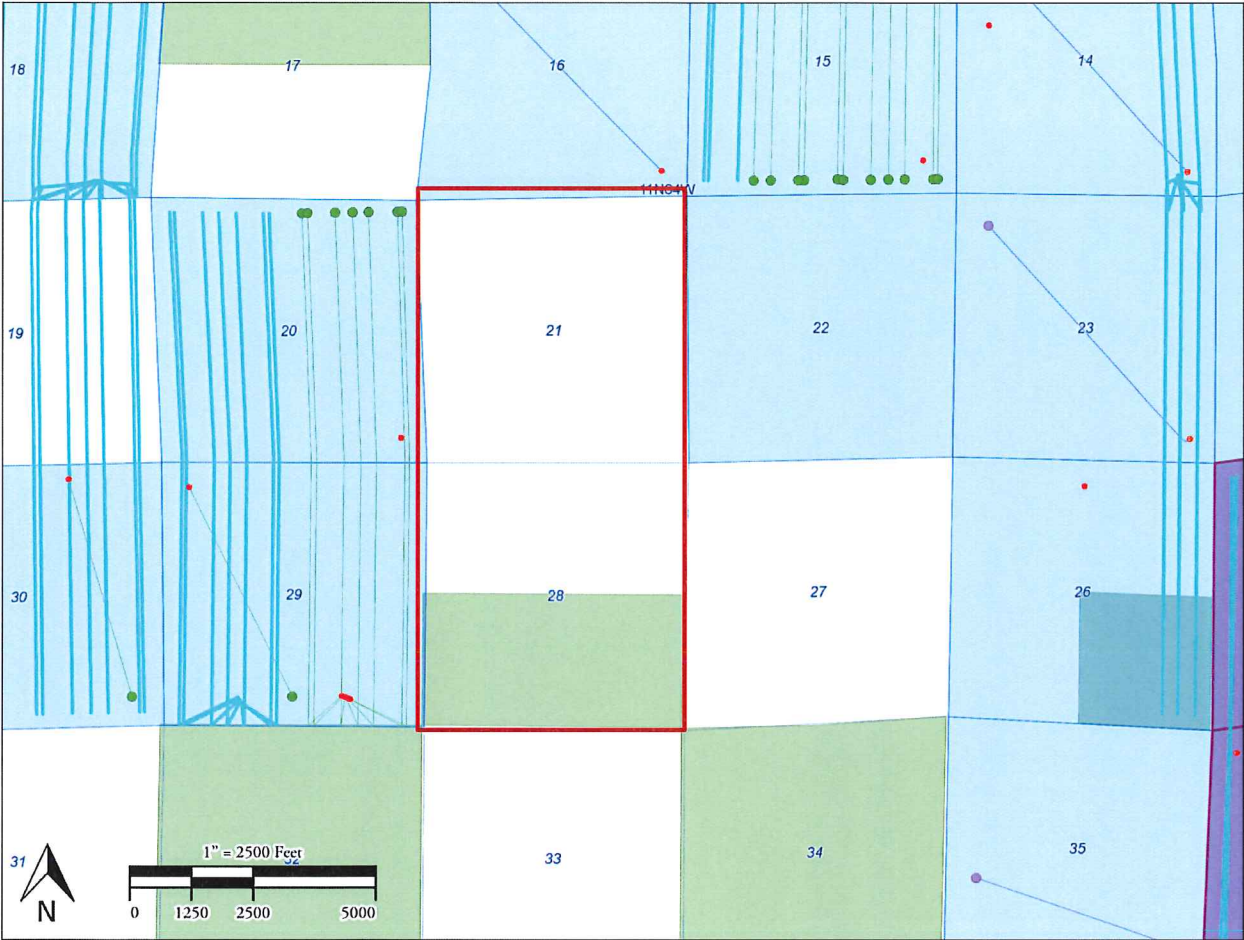
My commission expires: March 5, 2022

Michelle Poitra
Notary Public

Reference Map

Sections 21 and 28, Township 11 North, Range 64 West, 6th P.M.

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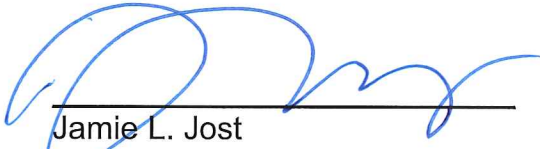
DOCKET NO. 180700574

TYPE: SPACING

AFFIDAVIT OF MAILING

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

The undersigned, of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for HighPoint Operating Corporation, and that on or before the 6th day of June, I caused a copy of the Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to this Affidavit.



Jamie L. Jost
Kelsey H. Wasylenky

Subscribed and sworn to before me this 6th day of June, 2018.

Witness my hand and official seal.



Notary Public

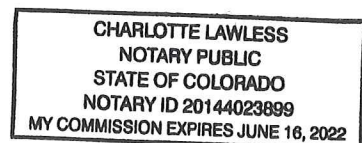


Exhibit A
HighPoint - SP Lion Creek 21/28

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

Antelope Energy Co, LLC
1801 Broadway, Suite 1550
Denver, CO 80202

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

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

Upland Exploration Inc.
424 South Main Street
Boeme, TX 78006

Anadarko Land Corp
1099 18th Suite 1800
Denver, CO 80202

Bradley Joseph Broussard living with
Kathy Breaux Broussard
PO Box 52826
Lafayette, LA 70505

Bureau of Land Management
Attn: Oil & Gas
2850 Youngfield Street
Lakewood, Colorado 80215

CECO, LLC
1649 S. Sherman Street
Denver, CO 80210

Cirrus Minerals, LLC
330 Marshall Street, Ste 1200
Shreveport, LA 71101

Hefner Company, Inc.
PO Box 2177
Oklahoma City, OK 73101

Michael Dixon Family, LLLP
10826 HWY 71
Brush CO 80723

Paul E. Himerlrich Revocable Trust
Dated June 17th, 1998
2818 Eastern Road
Norton, OH 44203

PEP II Management, LLC
330 Marshall Street, Ste 300
Shreveport, LA 71101

Robert Schaffer
10960 Wilshire Blvd, Suite 1960
Los Angeles, CA 90067

Ron L. Henry and Wanda L. Henry
P. O. Box 182
Kinneer, WY 82516

Salt Ranch LLC, a Wyoming limited
liability company
26995 CR 122
Grover, CO

Sandra K. Himerlrich Revocable Trust
Dated June 17th, 1998
2818 Eastern Road
Norton, OH 44203

Summit Royalties, LLC
789 Sherman Street, Ste 140
Denver, CO 80203

Thunder River Production, LLC Class A
members
1455 West Loop South, Ste 230
Houston, TX 77027

Family Tree Corporation
PO Box 260498
Lakewood, Colorado 80226

Robert P. Dykes, as Trustee of the
Robert P. Dykes Rev. Trust, dated
October 14, 2011
PO Box 260498
Lakewood, Colorado 80226

J. Christopher Dykes, as Trustee of the
J. Christopher Dykes Rev. Trust, dated
October 10, 2012
PO Box 260498
Lakewood, Colorado 80226

Michael L. Dykes, as Trustee of the
Michael L. Dykes Rev. Trust, dated
October 10, 2012
PO Box 260498
Lakewood, Colorado 80226

Keith Michael Foster and Lisa Marie
Foster
13824 W. Amherst Way
Lakewood, CO 80228

Craig L. Emmanuel
P.O. Box 86
Laramie, WY 82037

Marilynn Margaret Stabel
14234 W. Parkland Drive
Sun City West, AZ 85375

Steven E. Anderson
25230 County Road 122
Grover, CO 80729

Leonard C. and Shirley A. Wiggin
63709 County Rd.
Grover, CO 80729

State Board of Land Commissioners
1127 Sherman St #300
Denver, CO 80203

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

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