

**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 VACATE ALL OR A
PORTION OF ORDER NOS. 421-1, 421-57,
421-64, 421-78, 421-82 AND 421-91, AMONG
OTHER THINGS, AND TO ESTABLISH AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT FOR SECTION 33,
TOWNSHIP 12 NORTH, RANGE 63 WEST
AND SECTION 4, TOWNSHIP 11 NORTH,
RANGE 63 WEST, 6TH P.M., APPROVE UP TO
SIXTEEN ~~(16)~~ **EIGHTEEN (18)** 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. 180700575

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 Order No. 421-1 as it applies to the Application Lands (defined below) as set forth herein; 2) vacate Order No. 421-57 as it applies to the Application Lands for production from the Codell Formation; 3) vacate Order No. 421-64 as it relates to the Application Lands for production from the Codell Formation; 4) vacate Order No. 421-78 as it relates to the Application Lands for production from the Codell Formation; 5) vacate Order No. 421-82 as it relates to the Application Lands for production from the Niobrara Formation; 6) vacate Order No. 421-91 as it relates to the Application Lands for production from the Niobrara Formation; 7) establish an approximate 1,280-acre drilling and spacing unit for the Application Lands for production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; 8) authorize **sixteen (16) new horizontal wells, for a total of up to sixteen ~~(16)~~ eighteen (18)** 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 9) 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, 6th P.M.
Section 33: All

Township 11 North, Range 63 West, 6th P.M.
Section 4: 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 the Application Lands 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. For purposes of administrative clean-up, Applicant requests that Order No. 421-1 be vacated as to the Application Lands.

5. On February 27, 2015 (amended April 27, 2015), the Commission entered Order No. 421-57 which, among other things, established an approximate 1,280-acre drilling and spacing unit for the Application Lands and approved one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation. For purposes of administrative clean-up, Applicant requests that Order No. 421-57 be vacated as to the Application Lands.

6. 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 the Application Lands, 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. For purposes of administrative clean-up, Applicant requests that Order No. 421-64 be vacated as to the Application Lands.

7. On December 12, 2016, the Commission entered Order No. 421-78 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 the Application Lands for the production of the oil, gas, and associated hydrocarbons from the Codell Formation. For purposes of administrative clean-up, Applicant requests that Order No. 421-78 be vacated as to the Application Lands.

8. On January 30, 2017, the Commission entered Order No. 421-82 which, among other things, established an approximate 1,280-acre drilling and spacing unit for the Application Lands providing that the existing 640-acre units for the production of the existing wells shall be maintained only until the date of first completion of the new horizontal well into the unit, and approved up to eight new horizontal wells in the approximate 1,280-acre drilling and spacing unit, providing that the productive interval of each wellbore shall be located no closer than 300 feet from the boundaries of the unit and no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. For purposes of administrative clean-up, Applicant requests that Order No. 421-82 be vacated as to the Application Lands.

9. On September 11, 2017, the Commission entered Order No. 421-91 which, among other things, approved an additional seven horizontal wells, for a total of 15 horizontal wells, in an approximate 1,280-acre drilling and spacing units established for the Application Lands, for the production of oil, gas and associated hydrocarbons from Niobrara Formation. For purposes of administrative clean-up, Applicant requests that Order No. 421-91 be vacated as to the Application Lands.

10. The records of the Commission reflect that one horizontal well is currently producing in the Niobrara Formation in Section 33 of the Application Lands, the Fox Creek #6-33H (API No. 05-123-31558-00), operated by Applicant. Pursuant to Order No. 421-82, the Fox Creek #6-33H currently allocates to the 640-acre unit established by Order No. 421-1 only until the date of first completion of **the first** new horizontal well in the Niobrara Formation on the Application Lands, at which point the Fox Creek #6-33H will allocate to the 1,280-acre unit established for the Application Lands. Applicant requests that the Fox Creek #6-33H continue to allocate to the 640-acre unit established by Order

No. 421-1 until the date of first completion of **the first** new horizontal well to the Niobrara Formation in the new proposed 1,280-acre unit, at which point the Fox Creek #6-33H will allocate to the new proposed 1,280-acre unit. Applicant requests that the Fox Creek #6-33H not be included as one of the ~~sixteen (16)~~ **eighteen (18)** requested horizontal wells within the Application Lands.

11. The records of the Commission reflect that one horizontal well is currently producing in the Niobrara Formation in Section 4 of the Application Lands, the Critter Creek #3-04H (API No. 05-123-31973-00) and its sidetrack (05-123-31971-01), operated by Applicant. Pursuant to Order No. 421-82, the Critter Creek #3-04H currently allocates to the 640-acre unit established by Order No. 421-1 only until the date of first completion of a new horizontal well in the Niobrara Formation on the Application Lands, at which point the Critter Creek #3-04H will allocate to the 1,280-acre unit established for the Application Lands. Applicant requests that the Critter Creek #3-04H continue to allocate to the 640-acre unit established by Order No. 421-1 until the date of first completion of **the first** new horizontal well to the Niobrara Formation in the new proposed 1,280-acre unit, at which point the Critter Creek #3-04H will allocate to the new proposed 1,280-acre unit. Applicant requests that the Critter Creek #3-04H ~~not~~ be included as one of the ~~sixteen (16)~~ **eighteen (18)** requested horizontal wells within the Application Lands.

12. The records of the Commission reflect that the following four (4) Applications for Permits to Drill (APDs) are approved within the Application Lands for the Codell Formation:

Well Name	API No.	Operator
Fox Creek #503-3304H	05-123-42380	Applicant
Fox Creek #511-2804H	05-123-42603	Applicant
Fox Creek #512-2804H	05-123-42602	Applicant
Fox Creek #5-2804H	05-123-31219	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.

13. 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 Order No. 421-1 as to the Application Lands, 2) vacate Order No. 421-57 as it applies to the Application Lands for production from the Codell Formation; 3) vacate Order No. 421-64 as it relates to the Application Lands for production from the Codell Formation; 4) vacate Order No. 421-78 as it relates to the Application Lands for production from the Codell Formation; 5) vacate Order No. 421-82 as it relates to the Application Lands for production from the Niobrara Formation; 6) vacate Order No. 421-91 as it relates to the Application Lands for production from the Niobrara Formation; 7) establish an approximate 1,280-acre drilling and spacing unit for the Application Lands for production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations; 8) authorize **sixteen (16) new horizontal**

wells, for a total of up to sixteen (16) eighteen (18) 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 9) 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.

14. 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.

15. The Applicant is requesting to drill and complete up to **sixteen (16) new horizontal wells, for a total of up to sixteen (16) eighteen (18)** 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.

16. 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.

17. 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.

18. 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 Order No. 421-1 as to the Application Lands except as set forth below;

B. Vacating Order No. 421-57 as it relates to the Application Lands for production from the Codell Formation;

C. Vacating Order No. 421-64 as it relates to the Application Lands for production from the Codell Formation;

D. Vacating Order No. 421-78 as it relates to the Application Lands for production from the Codell Formation;

E. Vacating Order No. 421-82 as it relates to the Application Lands for production from the Niobrara Formation;

F. Vacating Order No. 421-93 as it relates to the Application Lands for production from the Niobrara Formation;

G. Maintaining the 640-acre drilling and spacing unit established by Order No. 421-1 for Section 33, Township 12 North, Range 63 West, 6th P.M., only for the purposes of payment of proceeds from the Fox Creek #6-33H (API No. 05-123-31558-00) and its side-track (API No. 05-123-31400-01) only until the date of first completion of a **the first** new horizontal well in the Niobrara Formation on the Application Lands, at which point the Fox Creek #6-33H will allocate to the new 1,280-acre unit established for the Application Lands;

H. Maintaining the 640-acre drilling and spacing unit established by Order No. 421-1 for Section 4, Township 11 North, Range 63 West, 6th P.M., only for the purposes of payment of proceeds from the Critter Creek #3-04H (API No. 05-123-31973-00) and its side-track (API No. 05-123-31973-01) only until the date of first completion of a **the first** new horizontal well in the Niobrara Formation on the Application Lands, at which point the Critter Creek #3-04H will allocate to the new 1,280-acre unit established for the Application Lands;

I. Establishing an approximate 1,280-acre drilling and spacing unit for Section 33, Township 12 North, Range 63 West and Section 4, Township 11 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 **sixteen (16) new horizontal wells, for a total of up to sixteen (16) eighteen (18)** 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;

J. 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;

K. 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.

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

DATED June 22nd, 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

VERIFICATION

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

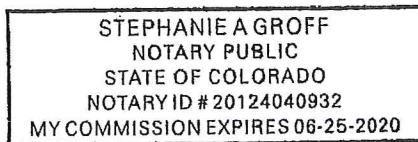
Gabriel Findlay, of lawful age, being first duly sworn upon oath, deposes and says that he is Land Manager - Operations for HighPoint Operating Corporation, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Gabriel Findlay
Land Manager - Operations
HighPoint Operating Corporation

Subscribed and sworn to before me this 22nd day of June, 2018.

Witness my hand and official seal.

[SEAL]

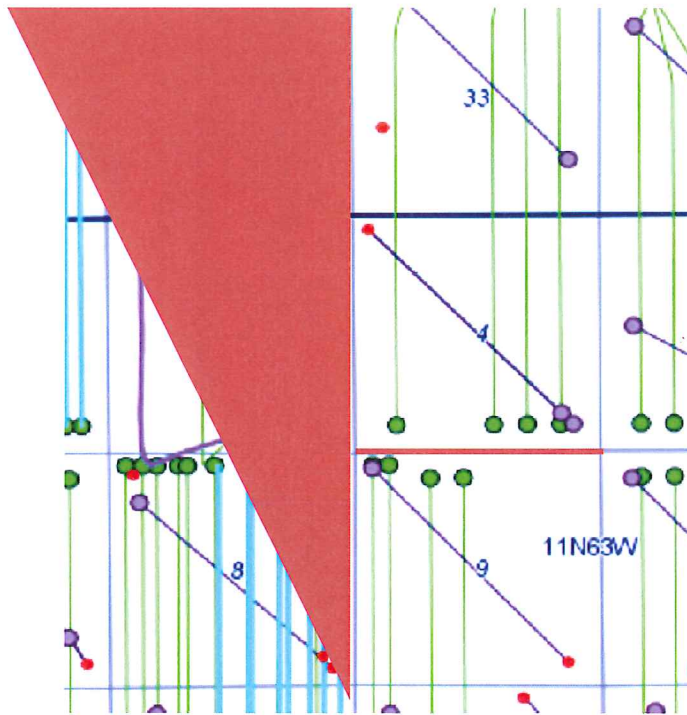


My commission expires: June 25, 2020

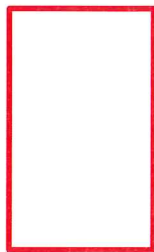

Notary Public

Reference Map

Section 33, Township 12 North, Range 63 West & Section 4, Township 11 North, Range 63 West, 6th P.M., Weld County, Colorado




Application



IN THE MATTER OF THE APPLICATION OF HIGHPOINT OPERATING CORPORATION FOR AN ORDER TO VACATE ALL OR A PORTION OF ORDER NOS. 421-1, 421-57, 421-64, 421-78, 421-82 AND 421-91, AMONG OTHER THINGS, AND TO ESTABLISH AN APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTION 33, TOWNSHIP 12 NORTH, RANGE 63 WEST AND SECTION 4, TOWNSHIP 11 NORTH, RANGE 63 WEST, 6TH P.M., APPROVE UP TO SIXTEEN—(16) **EIGHTEEN (18)** 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

Subscribed and sworn to before me this 14 day of June, 2018.

Charlotte Lumb
Notary Public

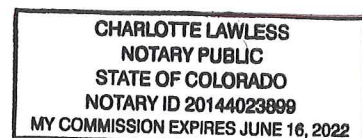


EXHIBIT A
HIGHPOINT - SP - T12N-R63W Sec 33 T11N-R63W Sec 4

8 North LLC
1888 Sherman Street, Suite 200
Denver, CO 80201

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

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

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

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

Jamestown Resources, LLC
PO Box 18756
Oklahoma City, OK 73154

School District Number Eighty-five
110 South Centennial Dr. Suite A
Milliken, CO 80543

Amanda Ingham
12229 Yellowstone Road NE
Albuquerque, NM 87111

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

BHCH Mineral Ltd.
5111 Broadway
San Antonio, TX 78209

Buffalo Royalties, LLC
9591 E. Orchard Drive
Greenwood Village, CO 80111

Edward B. O'Hara Irrevocable Trust UA
dated June 3, 1993
10011 W. Wesley Drive
Lakewood, CO 80227

Fredericksburg Royalty Ltd
5111 Broadway
San Antonio, TX 78209

Hobe Minerals Limited Liability
Company
7475 Highland Drive
Lakewood, CO 80214

James Zachary Turner
4260 S. Bellaire Circle
Englewood, CO 80113

John L. Peters
33988 WCR 136 1/2
Carpenter, WY 82054

Karen R. Haley Revocable Trust
Agreement dated February 8, 2002
5685 S. Bellaire Ct.
Greenwood Village, CO 80121

Magnolia Minerals Trust, LLC
1660 17th Street, Suite 325
Denver, CO 80202

Mary Ann Kirchgessner
12229 Yellowstone Road NE
Albuquerque, NM 87111

McMahon Energy Partners LP
4545 S. Monaco St., No. 144
Denver, CO 80237

Meador Ranch Inc
6509 Weld County Road #67
Grover, CO 80729

Oil and Gas Investors, LLC
PO Box 608
Sandpoint, ID 83864

Peters 313 Ranch Inc.
33988 WCR 136 1/2
Carpenter, WY 82054

Richard W. Mann
23510 State Highway 257
Miliken, CO 80543

Tofte Energy Partners, LP
PO Box 4221
Casper, WY 82604

Whitetail Minerals LLC
999 18th Street, Suite 3370
Denver, CO 80202

William C. Anderson
431 Sheram St.
Fort, Morgan, CO 80701

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