

**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, 421-69,
421-78, 421-83 AND 421-92, AMONG OTHER
THINGS, AND TO ESTABLISH AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT FOR SECTION 32,
TOWNSHIP 12 NORTH, RANGE 62 WEST
AND SECTION 5, TOWNSHIP 11 NORTH,
RANGE 62 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. 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) vacate Order No. 421-1 as it applies to the Application Lands (defined below) as set forth herein; 2) vacate Order No. 421-69 as it relates to the Application Lands for production from the Codell Formation; 3) vacate Order No. 421-78 as it relates to the Application Lands for production from the Codell Formation; 4) vacate Order No. 421-83 as it relates to the Application Lands for production from the Niobrara Formation; 5) vacate Order No. 421-92 as it relates to the Application Lands for production from the Niobrara Formation; 6) 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; 7) authorize 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 8) 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 62 West, 6th P.M.
Section 32: ALL

Township 11 North, Range 62 West, 6th P.M.
Section 5: 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 July 20, 2015, the Commission entered Order No. 421-69 which, among other things, allowed 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. 421-69 be vacated as to the Application Lands.

6. On December 12, 2016, the Commission entered Order No. 421-78 which, among other things, allowed 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.

7. On January 30, 2017, the Commission entered Order No. 421-83 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. 421-83 be vacated as to the Application Lands.

8. On September 11, 2017, the Commission entered Order No. 421-92 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. 421-92 be vacated as to the Application Lands.

9. The records of the Commission reflect that one horizontal well is currently producing in the Niobrara Formation in Section 32 of the Application Lands, the Randall Creek #04-32H (05-123-31233) operated by Applicant. Pursuant to Order No. 421-83, the Randall Creek #04-32H 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 Randall Creek #04-32H will allocate to the 1,280-acre unit established for the Application Lands. Applicant requests that the Randall Creek #04-32H continue to allocate to the 640-acre unit established by Order No. 421-1 until the date of first completion of a new horizontal well to the Niobrara Formation in the new proposed 1,280-acre unit, at which point the Randall Creek #04-32H will allocate to the new proposed 1,280-acre unit. Applicant requests that the Randall Creek #04-32H not be included as one of the sixteen (16) requested horizontal wells within the Application Lands.

10. The records of the Commission reflect that the following Application for Permits to Drill (APDs) is approved within the Application Lands for the Codell Formation:

Well Name	API No.	Operator
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Randall Creek #506-2905H	05-123-42471	Applicant
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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.

11. 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, 3) vacate Order No. 421-69 as it relates to the Application Lands for production from the Codell Formation; 3) vacate Order No. 421-78 as it relates to the Application Lands for production from the Codell Formation; 4) vacate Order No. 421-83 as it relates to the Application Lands for production from the Niobrara Formation; 5) vacate Order No. 421-92 as it relates to the Application Lands for production from the Niobrara Formation; 6) 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; 7) authorize 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 8) 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.

12. 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.

13. 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.

14. 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.

15. 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 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.

16. 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. 421-69 as it relates to the Application Lands for production from the Codell Formation;

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

D. Vacating Order No. 421-83 as it relates to the Application Lands for production from the Niobrara Formation;

E. Vacating Order No. 421-92 as it relates to the Application Lands for production from the Niobrara Formation;

F. Maintaining the 640-acre drilling and spacing unit established by Order No. 421-1 for Section 32, Township 12 North, Range 62 West, 6th P.M., only for the purposes of payment of proceeds from the Randall Creek #04-32H (05-123-32133) well only until the date of first completion of a new horizontal well in the Niobrara Formation on the Application Lands, at which point the Randall Creek #04-32H will allocate to the new 1,280-acre unit established for the Application Lands;

G. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Land for production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations and approving 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;

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 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 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: Leslie Mann
1099 18th Street, Suite 2300
Denver, CO 80202

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

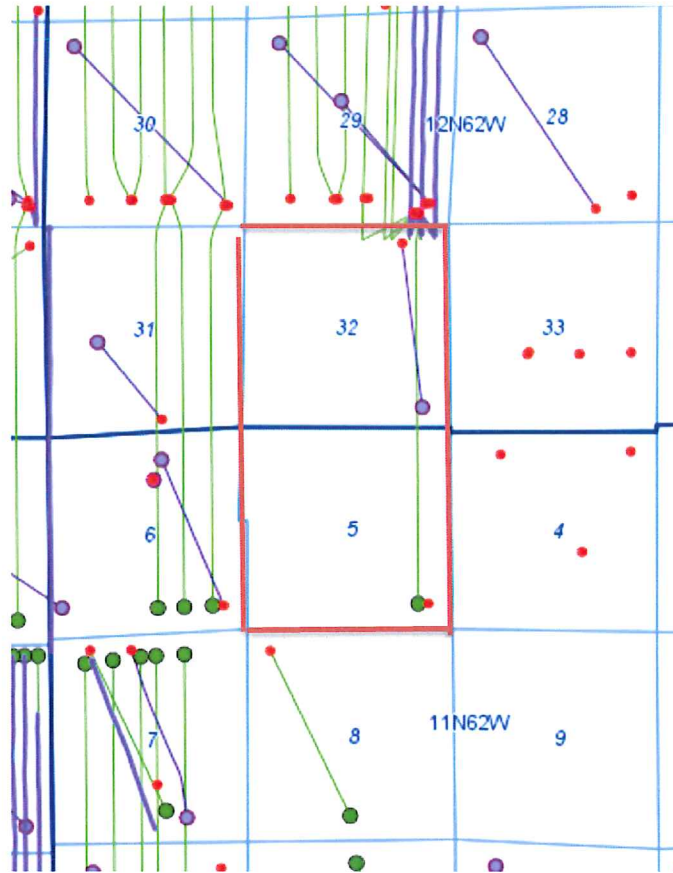

Leslie Mann
Landman
HighPoint Operating Corporation

STEPHANIE A GROFF
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 20124040932
MY COMMISSION EXPIRES 06-25-2020

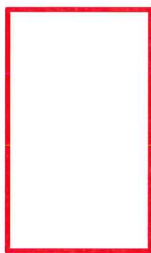

Notary Public

Reference Map

Section 32, Township 12 North, Range 62 West & Section 5, Township 11 North, Range 62 West, 6th P.M., Weld County, Colorado



Application Lands:



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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

Kenneth Blum

KERRY LEBLEU
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19934018734
MY COMMISSION EXPIRES JULY 24, 2021

Exhibit A
HighPoint - SP 12N-62W-32/11N-62W-5

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

Anadarko E&P Company, LP
1099 18th
Suite 1800
Denver, CO 80202

Canyon Oil & Gas LLC
P.O. Box 858
Windsor, CO 80550

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

Frank H. Walsh, LLC
PO Box 30
Sterling, CO 80751

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

JRG Working Interest, LLC
P. O. Box 1605
Red Lodge, MT 59068

The Pfanenstiel Company, LLC
101 Park Avenue
Suite 3100
Oklahoma City, OK 73102

Retamco Operating, Inc.
P. O. Box 790
Red Lodge, MT 59068

Walsh Production, Inc.
PO Box 30
Sterling, CO 80751

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

Anadarko Land Corp
1099 18th Street, Suite 1800
Denver, CO 80201

Roger R. Sorensen and Janice E.
Sorensen
PO Box 102
New Raymer, CO 80742

Anadarko Land Corporation
P.O. Box 173779
Denver, CO 80217-3779

Anita Jeanne Hartinger
PO Box 273377
Fort Collins, CO 80525

Barbara Lima
8330 Logan Road
Dansville, New York 14437

Catheryn L. Geissler
7300 West 107th Street
Apartment #229
Overland Park, KS 66212

CD Land & Cattle
66732 WCR 87
Grover, CO 80729

David L. Sorensen and Peggy L.
Sorensen
1514 28th Ave. Place
Greeley, CO 80634

Diana Rickard
1604 South 189th Court
Omaha, NE 68130-2845

Edward D. Sorensen and Margaret Jean
Sorensen
325 S. 28th Ave.
Brighton, CO 80601

Ettie P. Blake Living Trust dated August
15, 1988
Francis W. Blake, Trustee
5700 East County Road 48
Fort Collins, CO 80524

Francis W. Blake
5700 East County Road 48
Fort Collins, CO 80524-8795

Francis W. Blake
Esther Joanne Blake
5700 East County Road 48
Fort Collins, CO 80524-8795

Gary W. Smith and Norma Jean Smith,
Joint Tenants
66401 WCR 71
Hereford, CO 80732

Hampton Royalties, LLC
1855 40th Ave.
Greeley, CO 80634

James Dale Philp
Mary Beth Philp
P.O. Box 1032
Big Sandy, TX 75755

Kathryn L. Elliott
27624 S. NN Hwy
Sheldon, MO 64784

Konig Investments, LLC
57851 Weld County Road, 81
Grover, CO 80729

Larry Sorensen Living Trust
PO BOX 102
New Raymer, CO 80742

Larry Sorensen
c/o PO Box 102
New Raymer, CO 80742

Lincoln Energy Partners II, LLC
852 Broadway
Suite 300
Denver, CO 80203

Lisa L. Martin
200 county Road 148
Carpenter, WY 82054

Loyd Farms, A General Partnership
66732 WCR 87
Grover, CO 80729

Noreen Hodapp
1481 Palomino Way
Oviedo, Florida 32765

Okreek Oil and Gas II, LLC
475 17th Street, Suite 1350
Denver, CO 80202

Pawnee Butte Royalties, LLC
P.O. Box 4631
Englewood, CO 80155

Peteco Properties LLC
5236 Pinehurst Drive
Boulder, CO 80301

Robert Wilkinson, Jr.
637 Coleman Road
Marion, Kentucky 42064

Steele Resources, LLC
10477 Cimarron Street
Firestone, CO 80504

Susan Carol Philp
15 Harborview Dr.
Kingston, MA 02364-2291

SWSMK Energy, LLC, a Washington
limited liability company
1842 Emerald Way
Lynden, WA 98264-8561

Terry Wayne Stelling & Robin Stelling ,
as Trustees of the Robin Stelling &
Terry Stelling Revocable Living Trust
dated 12-17-2003
5 Mt. Rainier Dr.
San Rafael, CA 94903

Tietmeyer Mineral Co., LLC a Colorado
limited liability company
67125 Weld County 83
Grover, CO 80729

U.S. AgBank District Farm Credit
Council, Inc., a/k/a U.S. AgBank, FCB,
f/k/a Farm Credit Bank of Wichita,
Kansas
P.O. Box 2940
Wichita, KS 67201-2940

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