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. 421-23 TO INCLUDE THE CODELL, CARLILE, AND FORT HAYS FORMATIONS, TO APPROVE AN ADDITIONAL SIX HORIZONTAL WELLS FOR A TOTAL OF UP TO SIXTEEN (16) NEW HORIZONTAL WELLS AND TO APPROVE REDUCED BOUNDARY SETBACKS OF 150 FEET FOR THE NIOBRARA AND FORT HAYS FORMATIONS, AND 300 FEET FOR THE CODELL AND CARLILE FORMATIONS, IN AN APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT ESTABLISHED FOR SECTION 33, TOWNSHIP 12 NORTH, RANGE 62 WEST. 6TH P.M. AND SECTION 4, TOWNSHIP 11 NORTH, RANGE 62 WEST, 6TH P.M. FOR THE **PRODUCTION** OF OIL, **GAS** AND ASSOCIATED HYDROCARBONS FROM THE CODELL, CARLILE. **FORT** HAYS AND **HEREFORD** NIOBRARA FORMATIONS. 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 amend Order No. 421-23 to: 1) to include the Codell, Carlile, and Fort Hays Formations; 2) approve an additional six (6) horizontal wells for a total of up to sixteen (16) new horizontal wells in the approximate 1,280-acre drilling and spacing unit established for Section 33, Township 12 North, Range 62 West, 6th P.M. and Section 4, Township 11 North, Range 62 West, 6th P.M.; 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 12 North, Range 62 West, 6th P.M. Section 33: All

Township 11 North, Range 62 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. 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 33, Township 12 North, Range 62 West, 6th P.M. and Section 4, Township 11 North, Range 62 West, 6th P.M. are subject to this Rule for the Codell, Carlile, and Fort Hays Formations.
- 4. On October 21, 2010, the Commission entered Order No. 421-3 which, among other things, established 83 approximate 640-acre drilling and spacing units for certain lands, including Section 33, Township 12 North, Range 62 West, 6th P.M. and Section 4, Township 11 North, Range 62 West, 6th P.M., and approved one horizontal well within each unit, for the production of oil, gas, and associated hydrocarbons from 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. 421-23 which, among other things, established an approximate 1280-acre stand-up exploratory drilling and spacing unit for Section 33 Township 12 North, Range 62 West, 6th P.M. and Section 4, Township 11 North, Range 62 West, 6th P.M., and approved up to ten wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the bottomhole locations not less than 600 feet from the boundary of the proposed drilling unit and not less than 460 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.
- 6. The Commission records show that there are no horizontal, vertical or directional wells producing or permitted in the Application Lands.
- 7. 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 amend Order No. 421-23 to 1) to include the Codell, Carlile, and Fort Hays Formations; 2) approve an additional six (6) horizontal wells for a total of up to sixteen (16) new horizontal wells in the approximate 1,280-acre drilling and spacing unit established for Section 33, Township 12 North, Range 62 West, 6th P.M. and Section 4, Township 11 North, Range 62 West, 6th P.M.; 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' interwell 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.

- 8. The above-proposed amendments to the 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.
- 9. 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.
- 10. 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.
- 11. The productive interval of each proposed horizontal well 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 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.
- 12. 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. Amend Order No. 421-23 to include the Codell, Carlile, and Fort Hays Formations in an established 1,280-acre drilling and spacing unit for Section 33, Township 12 North, Range 62 West, 6th P.M. and Section 4, Township 11 North, Range 62 West, 6th P.M.;

- B. Amend Order No. 421-23 to approve an additional six (6) horizontal wells for a total of 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, for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations;
- C. Amend Order No. 421-23 to 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;
- D. Find that the additional wells and reduced setbacks 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.
- E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED May 2018.

Respectfully submitted:

HighPoint Operating Corporation

Ву:

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: Teale Stone
1099 18th Street, Suite 2300

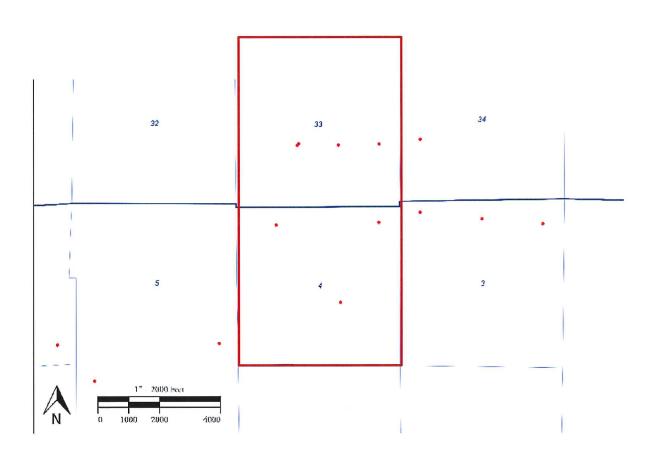
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)	
CITY AND COUNTY OF DENVER) ss.)	
he is a Landman for HighPoint Operatin	first duly sworn upon oath, deposes and says that g Corporation, and that he has read the foregoing contained are true to the best of his knowledge,	
	M	
	Teale Stone Landman HighPoint Operating Corporation	
Subscribed and sworn to before me this <u>3</u> /* day of May, 2018.		
Witness my hand and official seal.		
[SEAL]	BRYCE DOTY Notary Public State of Colorado Notary ID # 20174002931 My Commission Expires 01-19-2021	
My commission expires:	<u> </u>	
Notary Public	·	

Reference Map

Section 33, Township 12 North, Range 62 West, 6th P.M. and Section 4, Township 11 North, Range 62 West, 6th P.M.



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. 421-23 TO INCLUDE THE CODELL, CARLILE, AND FORT HAYS FORMATIONS, TO APPROVE AN ADDITIONAL SIX HORIZONTAL WELLS FOR A TOTAL OF UP TO SIXTEEN (16) NEW HORIZONTAL WELLS AND TO APPROVE REDUCED BOUNDARY SETBACKS OF 150 FEET FOR THE NIOBRARA AND FORT HAYS FORMATIONS, AND 300 FEET FOR THE CODELL AND CARLILE FORMATIONS, IN AN APPROXIMATE 1.280-ACRE DRILLING AND SPACING UNIT ESTABLISHED FOR SECTION 33, TOWNSHIP 12 NORTH, RANGE 62 WEST, 6TH P.M. AND SECTION 4, TOWNSHIP 11 NORTH, RANGE 62 WEST, 6TH P.M. 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. 180700610

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

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

EXHIBIT A HIGHPOINT - SP - T12N-R62W Section 33 & T11N-R62W Section 4

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

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

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

Contex Energy Company 621 17th Street Denver, CO 80293

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

Kaiser-Francis Oil Company PO Box 21468 Tulsa, OK 74121-1468

Lone Star Land & Energy, LLC 300 N. Coit Road, Suite 950 Richardson, TX 75080

NextEra Energy Gas Producing, Wyoming LLC 601 Travis St., Suite 1900 Houston, TX 77002

OOGC America, Inc. 945 Bunker Hill Rd., Ste. 1000 Houston, TX 77024 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 Producion, Inc. PO Box 30 Sterling, CO 80751

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

Anadarko Land Corp PO Box 1330 Houston, TX 77251-1330

Bartels Minerals LLC 4511 14th St 5801 West 11th Street, #201 Greeley, CO 80634

Charles W. and Patty N. Brown, LLC P.O. Box 587 Marlow, OK 73055

Charlotte M. Tegtman Mark A. Tegtman, PR of Estate 7973 Bayside Drive Fort Collins, CO 80528

Curtis W. Boomer, JTS 231 E. Tonto Dr Sedona, AZ 86351

D.A. Bunnell (Delbert A. Bunnell) c/o Steven T. Bunnell 7825 S. Logan Littleton, CO 80122

Delma Boomer 4701 North 39th Drive Phoenix, AZ 85019 Heirs or devisees of Howard L. Sleeper, Father, Denver, Colorado and Virginia S. Pleus, Daughter, Orlando, Florida (January 24, 1942) 1037 Lancaster Drive Orlando FL 32806

Jerry Burnett and Margaret E. Burnett 39767 WCR 132 Grover, CO 80729

Kathryn B. Stahlman and Robbin L. Peppler as Trustees of the Grandchildren's Trust I 2131 62nd Ave Court Greeley, CO 80634

MAP2009-OK, An Oklahoma general partnership c/o MAP Royalty, Inc. 101 N. Robinson, Suite 1000 Oklahoma City, OK 73102-5514

Richard J. Bartels and Robbin L. Peppler as Trustees of the Grandchildren's Trust II 2131 62nd Ave Court Greeley, CO 80634

Survivor's Trust under the Raleigh and Adrienne Philp 2001 Trust 2584 S. 10th Avenue Arcadia, CA 91006

The Survivors Trust, under the Ralph and Adrienne Philp 2001 Trust 2584 South 10th Avenue Arcadia, CA 91006

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

Anita Jeanne Hartinger, formerly known as, Anita Jeanne Philp PO Box 273377 Fort Collins, CO 80527-3377

Anita Ruth Johnson P.O. Box 33 Hereford, CO 80732 Barbara Jean Duggan 67466 W.C.R. 390 Hereford, CO 80732

Catheryn L. Geissler 7300 W. 107th St., #229 Overland, KS 66212

CoBank, FBC P.O. Box 2940 Wichita, KS 67201-2940

Diana Rickard 10215 Madison St Omaha, NE 68127

Donald W. Gillette, also known as Don W. Gillette 2161 C St. NW Greeley, CO 80631

Doris A. Thurston 10251 SW River Bend Rd. McMinnville, OR 97128

Dorothy F. Timm 106 Stoney Ave. Grover, CO 80729

Elder, Lambert and Martin, LLC 65 Chestnut Street Windsor, CO 80550

Elizabeth J. Krickbaum 417 S. 4th Ave Brighton, CO 80601

Ettie P. Blake Living Trust dated August 15, 1988 c/o Francis W. Blake 5700 E. Vine Dr. Fort Collins, CO 80524

Francis W. Blake and Esther Joanne Blake, as tenants in common 5700 East County Road 48 Fort Collins, CO 80524 Hampton Royalties, LLC 1855 40th Avenue Greeley, CO 80634

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

JB Lambert, LLC 5433 Apple Drive Fort Collins, CO 80526

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

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

Loyd Farms, a general partnership 66732 WCR 87 Grover, CO 80729

Marjorie A. Blossom 907 SE Ford Street McMinnville, OR 97128

Mark Jenkins and Karen R. Jenkins 20030 WCR 33 LaSalle, CO 80645

McClintock & Nikoloric LLC BOKF, NA dba Colorado State Bank and Trust, Agent P.O. Box 3499 Tulsa, OK 74101

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

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

Pawnee Butte Royalties P.O. Box 4631 Englewood, CO 80155 Peteco Properties, LLC 5236 Pinehurst Drive Boulder, CO 80301

Rearden Minerals, LLC 5914 West Courtyard Drive Suite 200 Austin, TX 78730

Steele Resources, LLC 10477 Cimarron Street Firestone, CO 80504

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

T.E. McClintock T/W fbo Mary M. Swift, U.S. Bank, N.A., Trustee P.O. Box 3499
Tulsa, OK 74101

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

Theresa P. Hartsell 40514 Goodnight Road La Center, WA 98629

Tietmeyer Mineral Co., LLC, a Colorado Limited liability Company 67125 WCR 83 Grover, CO 80729

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