

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

IN THE MATTER OF THE APPLICATION OF 8 NORTH,)	
LLC, FOR AN ORDER TO ESTABLISH AN)	CAUSE NO. 535
APPROXIMATE 1,280-ACRE DRILLING AND SPACING)	
UNIT FOR SECTIONS 11 & 14, TOWNSHIP 9 NORTH,)	DOCKET NO. To be determined
RANGE 61 WEST, 6 TH P.M., AND AUTHORIZING THE)	
DRILLING OF TWELVE HORIZONTAL WELLS)	TYPE: Spacing
WITHIN THE PROPOSED UNIT, FOR PRODUCTION)	
FROM THE CODELL, FORT HAYS, CARLILE, AND)	
NIOBRARA FORMATIONS, UNNAMED FIELD, WELD)	
COUNTY, COLORADO)	

APPLICATION

8 North, LLC (“8 North” or “Applicant”), Operator #10575, by and through its attorneys, Poulson, Odell & Peterson, LLC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission” or “COGCC”) for an order: (1) vacating approximate 640-acre drilling and spacing units established by Order No. 535-3 for both Section 11 and 14, Township 9 North, Range 61 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation, and (2) establishing an approximate 1,280-acre drilling and spacing unit for Sections 11 and 14, Township 9 North, Range 61 West, 6th P.M., and authorizing the drilling of 12 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. In support of this Application (“Application”), Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the COGCC.
2. Applicant owns substantial leasehold interests in the below-listed lands (“Application Lands”):

Township 9 North, Range 61 West, 6th P.M.
Section 11: All
Section 14: All

Exhibit A, Application Map is attached hereto and depicts the Application Lands consisting of 1,280 acres, more or less.

3. COGCC Rule 318.a. provides that for any oil or gas well drilled to a common source of supply and drilled to a producing depth at least 2,500 feet below ground surface shall be located not less than 600 feet from any lease line and not less than 1,200 feet from any other producing or drilling oil or gas well when drilling to the same source of supply, unless authorized by Commission order upon hearing. The Application Lands are subject to this Rule for production of oil and gas from the Fort Hays, Carlile and Codell Formations. The Fort Hays and Carlile Formations are non-target formations, however

are included in the proposed drilling and spacing unit at the Commission's request in the event the horizontal wellbore of any permitted well under the approved Application deviates into these formations.

4. On February 22, 2011, the Commission issued Order No. 535-3 which, among other things, established approximate 640-acre drilling and spacing units for both Section 11 and 14, Township 9 North, Range 61 West, 6th P.M., and authorized the drilling of one horizontal well within each unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any permitted well located no closer than 600 feet from the unit boundaries.

Vacating approximate 640-acre drilling and spacing units established for the Application Lands, for production from the Niobrara Formation

5. Applicant herein requests approximate 640-acre drilling and spacing units established by Order No. 535-3 for both Section 11 and 14, Township 9 North, Range 61 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, be vacated. By vacating these 640-acre drilling and spacing units, Applicant will herein propose the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, with authority to drill 12 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. This proposed development plan will allow the drilling of 12 two-mile laterals running north-to-south or south-to-north within the proposed unit, thereby preventing waste while protecting correlative rights within the proposed unit area.

Establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, for production from the Codell, Fort Hays, Carlile and Niobrara Formations

6. Applicant herein seeks the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, and the authority to drill 12 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. Further, the establishment of the drilling and spacing unit is not smaller than the area which can be efficiently and economically drained by the drilling of the requested horizontal wells to be drilled within said unit.

7. Applicant herein requests the treated intervals of any horizontal well permitted under this Application should be located not less than 300 feet from proposed unit boundaries and not less than 150 feet from the treated interval of any other well producing or drilling from the Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

8. Further, Applicant herein requests any permitted wells drilled under this Application should be located on no more than four multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

* * *

9. The granting of this Application is in accord with the Oil and Gas Conservation Act found at §34-60-101, et seq., C.R.S., and the COGCC rules.

10. Applicant requests that relief granted as result of this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by the oral order of the Commission.

11. That the names and addresses of interested parties (owners within the Application Lands and those owners of lands cornering or adjacent to the Application Lands) according to the information and belief of the Applicant are set forth in Exhibit B. The Applicant shall submit a certificate of service for the Application within seven days as required by Rule 503.e. accompanied by Exhibit B.

WHEREFORE, Applicant respectfully requests this matter be set for hearing, notice be given as required by law, and that upon such hearing the Commission enter its order:

A. Vacating approximate 640-acre drilling and spacing units established by Order No. 535-3 for both Section 11 and 14, Township 9 North, Range 61 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of 12 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations, with the treated interval of any horizontal well permitted under this Application located not less than 300 feet from unit boundaries and not less than 150 feet from any other well producing or drilling from the Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

C. Limiting the drilling of any permitted wells under this Application to no more than four multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

D. For such other findings and orders as the Commission may deem proper or advisable given the premises.

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 - Application Lands

 - Existing Units

Township 9 North, Range 61 West, 6th P.M.

Exhibit A
Application Map

6	5	4	3	2	1		
7	8	9	10	11	12		
18	17	16	15	14	13		
19	20	21	22	23	24		
30	29	28	27	26	25		