

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

IN MATTER OF THE APPLICATION OF ST.)	
CROIX OPERATING INC. FOR AN ORDER)	CAUSE NO.
ESTABLISHING AN APPROXIMATE 160.00)	
ACRE DRILLING AND SPACING UNIT)	DOCKET NO. 180900668
PROPOSED FOR THE)	
DEVELOPMENT/OPERATION OF THE J-)	TYPE: SPACING
SANDSTONE FORMATION UNDERLYING)	
CERTAIN PORTIONS OF SECTION 15, 16,)	
21 AND 22, TOWNSHIP 3 SOUTH, RANGE)	
51 WEST, 6 TH P.M., UNAMED FIELD,)	
WASHINGTON COUNTY, COLORADO)	

APPLICATION

St. Croix Operating Inc., Operator No. 81490, by and through its attorneys, Akers & Thompson, LLC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order to establish an approximate 160-acre drilling and spacing unit ("DSU") for certain portions of Section 15, 16, 21 and 22, Township 3 South, Range 51 West, 6th P.M, for the development and operation of the "J" Sandstone formation, and approve up to two (2) wells in the proposed approximate 160-acre DSU for the efficient and economic development of oil, gas, and associated hydrocarbons from the "J" Sandstone underlying the below-described lands. In support of its 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 Commission.
2. Applicant owns leasehold interests in the following lands ("Application Lands") and therefore has standing to file this application pursuant to Commission Rule 503.b.(1):

Township 3 South, Range 51 West, 6th P.M.

Section 15: SW ¼ SW ¼

Section 16: SE ¼ SE ¼

Section 21: NE ¼ NE ¼

Section 22: NW ¼ NW ¼

160.00 acres, more or less, Washington County, Colorado.

A reference map of the Application Lands is attached hereto.

3. Commission Rule 318.a. provides that a well to be drilled 2,500 feet or greater shall be located not less than 600 feet from any lease line and shall be located not less than 1,200 feet from any other productive oil or gas well when drilling to the same common source of supply, unless authorized by the Commission upon hearing. The Application Lands are subject to Rule 318.a. for the "J" Sandstone Formation.
4. Commission Rule 318.c. provides that the Director has the authority to grant a well location exception to the requirements of this rule or any order because of geological, environmental, topographic, or archaeological conditions, irregular sections, a surface owner request, or for other good cause shown provided that a waiver or consent signed by the lease owner toward whom the well location is proposed to be moved, agreeing that said well may be located at the point at which the operator proposes to drill the well and where the correlative rights are protected. If the operator of the proposed well is also the operator of the drilling unit or unspaced offset lease toward which the well is proposed to be moved, waivers shall be obtained from the mineral interest owners under such lands. If waivers cannot be obtained from all parties and no party objects to the location, the operator may apply for a variance under Rule 502.b.
5. Applicant requests the establishment of the Application Lands as a DSU for the "J" Sandstone Formation, pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed DSU will allow efficient drainage of the "J" Sandstone Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil, gas or associated hydrocarbon substances from the reservoirs. The proposed DSU is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.
6. Applicant requests to drill and complete up to two (2) wells in the above-described approximate 160-acre DSU for production of oil, gas and associated hydrocarbons from the "J" Sandstone Formation in the Application Lands with the surface location to be located at a legal location in the above-described DSU.
7. Applicant has filed concurrently herewith an application requesting that the Commission pool all interests in the proposed DSU for production from the proposed wells.
8. Applicant requests that setbacks for the Application Lands be as follows:
 - A. For the permitted wells to be drilled under this Application, the treated interval of the well shall be located not less than 1000 feet from the treated interval of another well producing from the same formation, without exception from the Director.

- B. For the permitted wells to be drilled under this Application, the productive interval of the permitted wells shall be located no less than 600 feet from the unit boundaries and no less than 300 feet from any lease line, without exception from 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 Commission rules.
 10. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
 11. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 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, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

- A. Establishing an approximate 160-acre DSU for SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21 and NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 22, Township 3 South, Range 51 West, 6th P.M., and allowing up to two (2) vertical wells in the unit in order to efficiently and economically develop and recover the "J" Sandstone Formation in the unit.
- B. Providing that setbacks for the Application Lands be as follows:
 1. For the permitted wells to be drilled under this Application, the treated interval of the well shall be located not less than 1000 feet from the treated interval of another well producing from the same formation, without exception from the Director.
 2. For the permitted wells to be drilled under this Application, the productive interval of the permitted wells shall be located no less than 600 feet from the unit boundary and no less than 300 feet from any lease line, without exception from the Director.
- C. Finding that the approximate 160-acre DSU for the development of oil, gas, and associated hydrocarbons from the "J" Sandstone Formation underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the "J" Sandstone Formation in the Application Lands.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

Dated this 18th day of July, 2018

Respectfully Submitted,

Akers & Thompson, LLC

By: 

Troy L. Chatman II
John K. H. Akers, Jr.
Akers & Thompson, LLC
Attorneys for Applicant
4700 S Syracuse Street, Suite 810
Denver, CO 80237
720-488-0835
tchatman@akersthompsonlaw.com
jakers@akersthompsonlaw.com

Address of Applicant


St. Croix Operating Inc.
600 S. Cherry St., Ste. 200
Denver, CO 80246
Mail: P.O. Box 13799
Denver, CO 80201-1799

VERIFICATION

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

Paul B. Melnychenko, as President of St. Croix Operating, Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

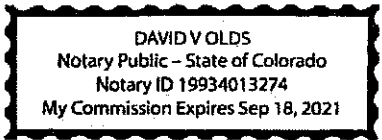
St. Croix Operating, Inc.



Paul B. Melnychenko, President

Subscribed and sworn to before me this 17th day of July, 2018, by Paul B. Melnychenko, as President of St. Croix Operating, Inc.

Witness my hand and official seal.





Notary Public

EXHIBIT A

Township 3 South, Range 51 West, 6th P.M.

Section 15: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 16: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 21: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 22: NW $\frac{1}{4}$ NW $\frac{1}{4}$

INTERESTED PARTIES

Zelda J. Emmert and Kevin R. Emmert
1176 Southeast Fenton Street,
Dallas, Oregon 97338

Donna J. Brown
8957 Manning Road
Economy, Indiana 47339

Colleen R. Johnson
37358 County Road 15
Anton, Colorado 80801

Albert D. Travis
33970 County Road 25
Akron, Colorado 80720

William Martin Fowkes
3011 Taft St.
Boise, Idaho 83703

Holly Hyatt-Langdon
3702 Star Lane
Boulder, Colorado 80301

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

Cora S. Martin
15 Piper Road, Apt. J121
Scarborough, Maine 04074

Melissa Chaffee
Scott Family Trust
19 Mistyhaven Place

The Woodlands, Texas 77381

Catherine Stitt
State of Colorado
State Board of Land Commissioners
1127 Sherman Street, Suite 300
Denver, Colorado 80203

JAWS Land Co.
17978 County Road HH
Akron, Colorado 80720

Vickie L. Armstrong
678 W. 11th Street
Akron, Colorado 80720

Nichole Cottongim-Baum
3867 Jenny Ln
Erlanger, KY 41018

Larry W. Griese
Washington County
Local Government Designee
150 Ash Ave.
Akron, CO 80720
Phone: (970) 345- 6662
Email: lgriese@co.washington.co.us

Kent Kuster
Colorado Department of Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246
Phone: (303) 692.3663
Email: kent.kuster@state.co.us.

Brandon Marette-Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
6060 Broadway
Denver, CO 80216
Phone: (303) 291-7327
Email: brandon.marette@state.co.us

St. Croix Operating Inc.
P.O. Box 13799
Denver, CO 80201

EXHIBIT B

Reference Map for Spacing Application

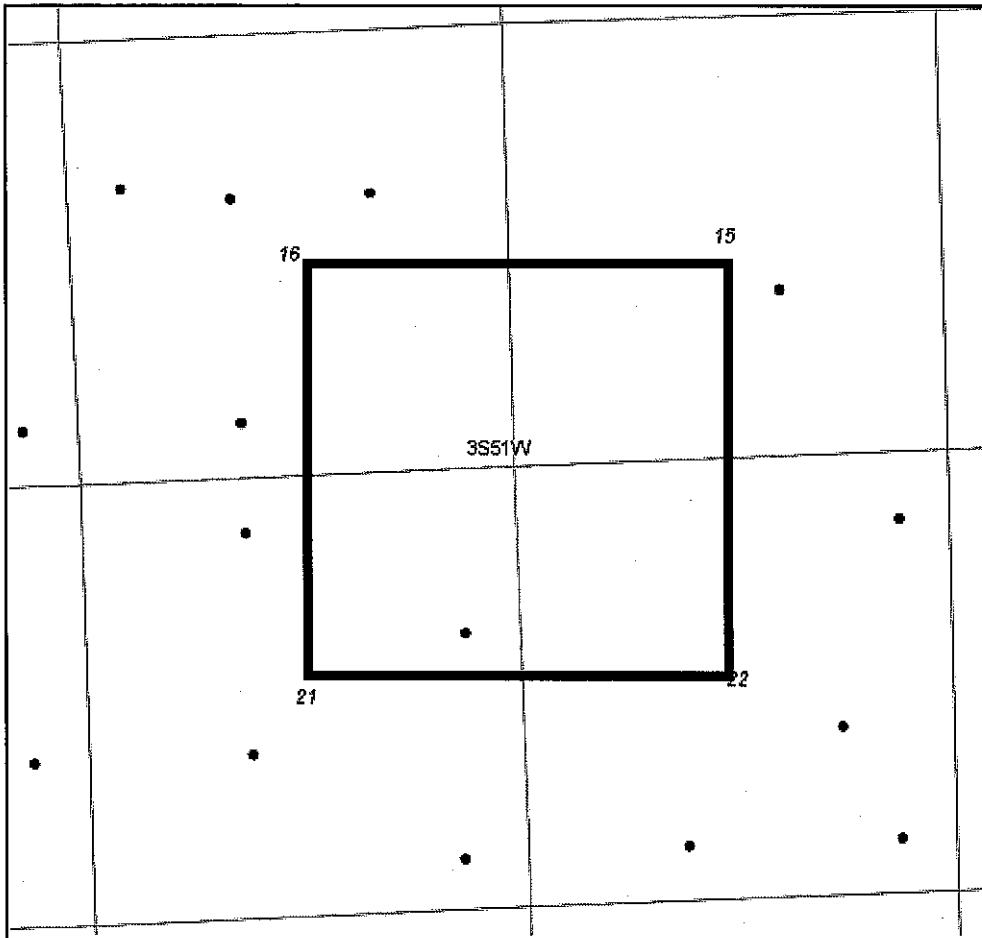
Township 3 South, Range 51 West, 6th P.M.

Section 15: SW ¼ SW ¼

Section 16: SE ¼ SE ¼

Section 21: NE ¼ NE ¼

Section 22: NW ¼ NW ¼



= Application Lands

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

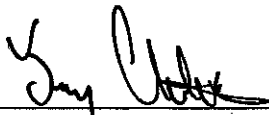
IN MATTER OF THE APPLICATION OF ST.)
CROIX OPERATING INC. FOR AN ORDER)
ESTABLISHING AN APPROXIMATE 160.00)
ACRE DRILLING AND SPACING UNIT)
PROPOSED FOR THE)
DEVELOPMENT/OPERATION OF THE J-)
SANDSTONE FORMATION UNDERLYING)
CERTAIN PORTIONS OF SECTION 15, 16,)
21 AND 22, TOWNSHIP 3 SOUTH, RANGE)
51 WEST, 6TH P.M., UNAMED FIELD,)
WASHINGTON COUNTY, COLORADO)

CAUSE NO.
DOCKET NO. 180900668
TYPE: SPACING

AFFIDAVIT OF MAILING

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

I, Troy L. Chatman II, of lawful age, and being first duly sworn upon my oath, state, and declare that I am the attorney for St. Croix Operating Inc., and that on or before July 25, 2018, 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.

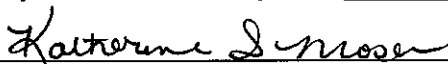


Troy L. Chatman II

Subscribed and sworn to before me this 19th day of July 2018.

Witness my hand and official seal.

My commission expires: October 15, 2019



Notary Public

