

**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF AN **AMENDED** APPLICATION
BY CONFLUENCE DJ LLC FOR AN ORDER
AMENDING COMMISSION ORDER NO. 407-2115 SO
AS TO ESTABLISH TWO (2) APPROXIMATE 640-
ACRE DRILLING AND SPACING UNITS, FOR
HORIZONTAL WELL DEVELOPMENT OF THE
NIOBRARA AND CODELL FORMATIONS,
WATTENBERG FIELD, **WELD ADAMS** COUNTY,
COLORADO

CAUSE NO. 407

DOCKET NO. 181000715

TYPE: SPACING AND
DENSITY

AMENDED APPLICATION

Confluence DJ LLC, Operator No. 10518, ("Confluence" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this **Amended Application ("Application")** to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order amending Commission Order No. 407-2115 so as to establish two (2) approximate 640-acre drilling and spacing units and authorizing the drilling of up to twelve (12) horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations. In support of its Application, Applicant states and alleges as follows:

1. Confluence DJ LLC is a limited liability company duly authorized to conduct business in the State of Colorado and has registered as an operator with the Commission.

2. Applicant is an owner in the below-listed lands:

Township 1 South, Range 65 West, 6th P.M.

Section 5: W½

Section 8: W½

Drilling and Spacing Unit ("DSU") No. 1

640 acres, more or less, **Weld Adams** County, Colorado

Township 1 South, Range 65 West, 6th P.M.

Section 5: E½

Section 8: E½

DSU No. 2

640 acres, more or less, **Weld Adams** County, Colorado.

These lands are referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

Prior Orders applicable to Application Lands

3. On April 27, 1998, the Commission adopted Rule 318A. which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A. was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A. was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to certain aspects of this rule for horizontal wells drilled in the Niobrara and Codell Formations.

4. On July 24, 2017, the Commission entered Order No. 407-2115 which established an approximate 1,280-acre drilling and spacing unit covering all of Sections 5 and 8, Township 1 South, Range 65 West 6th P.M., and authorized up to 20 horizontal wells within the unit for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, 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 well producing within the unit, without exception being granted by the Director; and establishing all wells drilled permitted under the Order shall be drilled from no more than four well pads within the unit. **Order No. 407-2115 further refers to the Applications Lands as lying in Weld County, Colorado. This is incorrect as the Application Lands lie in Adams County, Colorado. The underlying Application to Order No. 407-2115 and supporting testimony similarly reflect this error.**

Amending Order No. 407-2115 so as to establish two (2) approximate 640-acre stand-up drilling and spacing units and to correct an error regarding the location of the Application Lands

5. Applicant requests that Order No. 407-2115 be amended so as to establish two (2) approximate 640-acre stand-up drilling and spacing units for the Application Lands in the configuration above **and for such order to accurately reflect the Application Lands as lying within Adams County, Colorado.** For the Application Lands, the proposed drilling units are not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Niobrara and Codell Formations.

6. Applicant requests Order No. 407-2115 be further amended such that Applicant be authorized to drill and complete up to twelve (12) horizontal wells in each approximate 640-acre drilling and spacing unit proposed for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

Setback and Location Requirements of Proposed Drilling and Spacing Units

7. Applicant requests that setback and location requirements for the Application Lands be as follows:

a. Any horizontal wells to be drilled under this Application for production from the Niobrara and Codell Formations will be drilled from the surface of each drilling unit, or on adjacent lands with consent of the landowner, from no more than one (1) surface location on the surface of each drilling unit, unless an exception is granted by the Director.

b. The wellbores of any horizontal wells to be drilled under this Application may enter the Niobrara and Codell Formations anywhere within each unit, or on adjacent lands, without exception being granted by the Director.

c. For any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be no closer than 460 feet from the boundaries of the proposed unit, with an inter-well setback of no closer than 150 feet from the treated interval of a well producing from the Niobrara and Codell Formations, without exception being granted by the Director. The wells are to be drilled with a north/south orientation.

8. 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.

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. 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 an order:

A. Amending Order No. 407-2115 so as to establish two (2) approximate 640-acre stand-up drilling and spacing units for the Application Lands, **and for such order to accurately reflect the Application Lands as lying within Adams County, Colorado,** and authorizing the drilling of up to twelve (12) horizontal wells within each proposed unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations.

B. Providing that setbacks for the Application Lands be as follows:

i. Any horizontal wells will be drilled from the surface of each drilling unit, or on adjacent lands with consent of the landowner, from no more than one (1) surface location on the surface of each drilling unit, unless an exception is granted by the

Director.

ii. The wellbores of any horizontal wells may enter the Niobrara and Codell Formations anywhere within each unit, or on adjacent lands, without exception being granted by the Director.

iii. The treated intervals of any horizontal wells shall be not less than 150 feet from the treated interval of another well producing from the same formation, without exception being granted by the Director.

iv. The treated intervals of any horizontal wells shall be located no closer than 460 feet from the unit boundary.

C. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.

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

DATED this ~~14th day of August~~ 20th day of September, 2018.

Respectfully submitted,

CONFLUENCE DJ LLC

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James Parrot
Jillian Fulcher
Jobediah Rittenhouse
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VERIFICATION

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

Angela Mallon, Regional Land Manager for Confluence DJ LLC, upon oath deposes and says that she has read the foregoing Amended Application and that the statements contained therein are true to the best of her knowledge, information, and belief.

CONFLUENCE DJ LLC



Angela Mallon

Subscribed and sworn to before me this 20th day of September, 2018, by Angela Mallon, Regional Land Manager for Confluence DJ LLC.

Witness my hand and official seal.



Notary Public

Carol L. Bickerton Notary Public, State of Colorado Notary ID 20014035927 My Commission Expires July 25, 2022
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Exhibit A

Reference Map for Application

Township 1 South, Range 65 West, 6th P.M.

Section 5: W½

Section 8: W½

Drilling and Spacing Unit ("DSU") No. 1

640 acres, more or less, **Weld Adams** County, Colorado

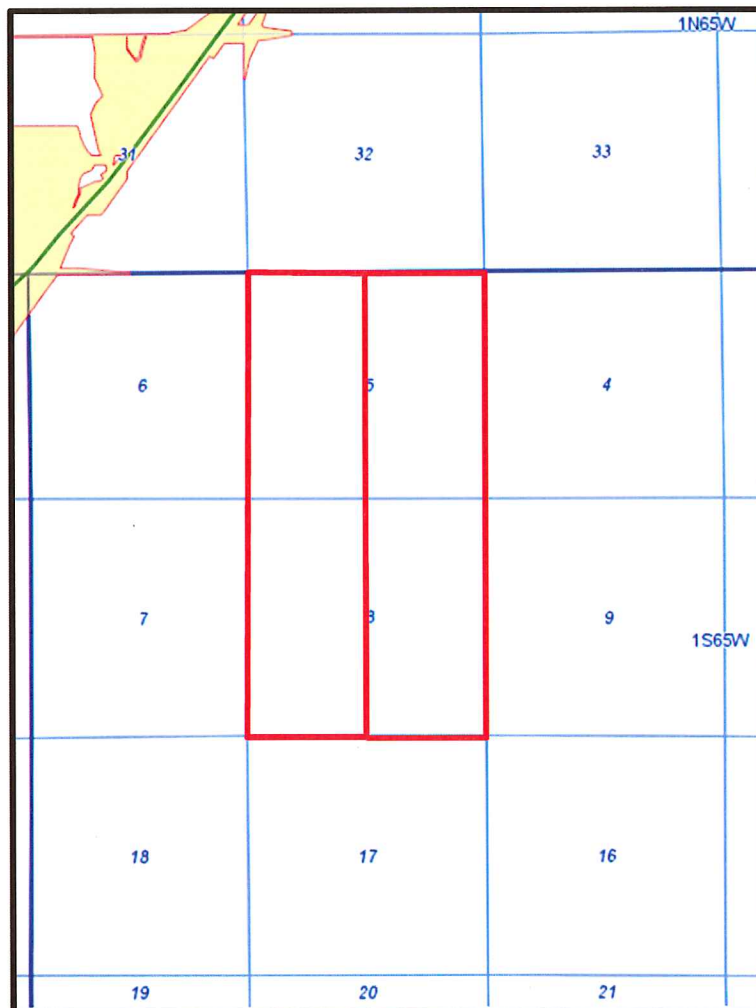
Township 1 South, Range 65 West, 6th P.M.

Section 5: E½

Section 8: E½

DSU No. 2

640 acres, more or less, **Weld Adams** County, Colorado



IN THE MATTER OF THE PROMULGATION)	CAUSE NO. 407
AND ESTABLISHMENT OF FIELD RULES TO)	
GOVERN OPERATIONS FOR THE)	DOCKET NO. 181000715
NIOBRARA, AND CODELL FORMATIONS,)	
WATTENBERG FIELD, WELD COUNTY,)	TYPE: SPACING
COLORADO)	


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

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Confluence DJ LLC, and on or before the 24th day of September, 2018, caused a copy of the attached Amended Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** attached hereto.


Jo Cooks

Witness my hand and official seal.

ay of September, 2018.



Notary Public

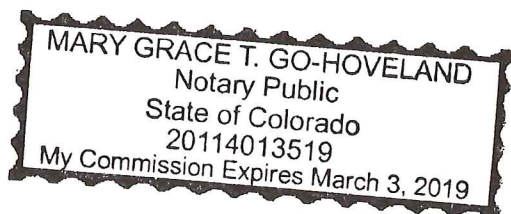


EXHIBIT A
INTERESTED PARTIES

Verdad Resources LLC
5950 Cedar Springs Road, Suite 200
Dallas, TX 75235

Brandon Marette, Energy Liaison
Colorado Parks and Wildlife
Northeast Region Office
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SEAN HACKETT
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Colorado Department of
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