

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

IN THE MATTER OF THE APPLICATION OF
INCLINE OPERATING, LLC , FOR AN ORDER TO
ESTABLISH AN APPROXIMATE 600-ACRE
DRILLING AND SPACING UNIT FOR PORTIONS
OF SECTIONS 27 AND 28, TOWNSHIP 6 NORTH,
RANGE 65 WEST, 6TH P.M., TO APPROVE UP TO
NINE(9) NEW HORIZONTAL WELLS IN THE 600-
ACRE UNIT FOR THE DEVELOPMENT AND
OPERATION OF THE CODELL AND NIOBRARA
FORMATIONS, WATTENBERG FIELD, WELD
COUNTY, COLORADO

CAUSE NO.

DOCKET NO. 180100716

TYPE: SPACING

APPLICATION

COMES NOW Incline Operating, LLC (Operator No. 10689) ("Applicant"), by and through its undersigned attorneys, and respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish an approximate 600-acre drilling and spacing unit for portions of Sections 27, and 28, Township 6 North, Range 65 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations and to approve up to nine (9) new wells in the proposed approximate 600-acre drilling and spacing unit for the efficient and economic development of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly 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, § 34-60-103(7) and the Commission 100 Series Rules, owns leasehold interests and/or has the right to drill and produce on the following lands (hereafter, the "Application Lands"):

Township 6 North, Range 65 West, 6th P.M.

Section 27: SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 28: S $\frac{1}{2}$

600 acres, more or less. Weld County, Colorado

A reference map of the Application Lands is attached hereto.

3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area, Special Well Location, Spacing and Unit Designation Rule. The

Application Lands are within the Greater Wattenberg Area ("GWA") and thus are subject to Rule 318A.

4. The online records maintained by the COGCC indicate that ten (10) vertical or directional wells are currently producing in the Applications Lands, as depicted on Exhibit B attached hereto.

API No.	Well Name	Q/Q	Sec	Twn	Rng	Formation	Status	Qtr/Qtr that falls within Application Lands
05-123-13137	COWHERD 1	SESW	28	6N	65W	CODL	SI	S/2SW/4-28
05-123-23528	HUNGENBERG E 28-25	SWSW	28	6N	65W	CODL	SI	S/2SW/4-28
05-123-23530	HUNGENBERG E 28-12	NWSW	28	6N	65W	CODL	SI	N/2SW/4-28
05-123-23531	HUNGENBERG E 28-13	SWSW	28	6N	65W	CODL/NIO	SI	S/2SW/4-28
05-123-26187	SWANSON FARMS 43-27	NESE	27	6N	65W	CODL	PR	SE-27
05-123-38156	STEADFAST E27-62-1HN	SESE	26	6N	65W	NIO	PR	S/2SE-27
05-123-38159	STEADFAST E27-63-1HN	SESE	26	6N	65W	NIO	PR	SE/4-27
05-123-38160	HEALY E34-69HN	SESE	26	6N	65W	NIO	PR	S/2SE-27
05-123-40696	MATRIX T-29HN	SESW	29	6N	65W	NIO	PR	W/2W/2-28
05-123-40792	MATRIX S-29HC	SESW	29	6N	65W	CODL	PR	W/2W/2-28

Applicant hereby confirms that each of these wells shall remain subject to applicable spacing orders and/or rules of the Commission, and shall not be affected by Applicant's requested relief under this Application. Proceeds from the sale of oil or gas from these wells shall continue to be distributed based on the applicable spacing orders and/or rules for these wells.

5. Applicant requests the Commission establish the Application Lands as an approximate 600-acre drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and C.R.S. § 34-60-116(2). For the Application Lands, the proposed drilling unit is 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 Codell and Niobrara Formations.

6. Applicant requests it be authorized to drill and complete nine (9) horizontal wells in the approximate 600-acre drilling and spacing unit proposed for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara 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.

7. Applicant further requests that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the outer boundaries of the proposed unit, with an inter-well setback of not less than 150 feet from the treated intervals of a well producing from the Codell and Niobrara Formations, unless an exception is granted by the Director.

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

9. Applicant states that any horizontal wells to be drilled under this Application will be drilled from one multi-well pad on the surface of the drilling unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

10. Applicant request that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrese 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, this Commission enter its order:

A. Establishing an approximate 600-acre drilling and spacing unit for Application Lands, and authorizing the drilling of nine (9) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundaries of the unit, with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, unless an exception is granted by the Director.

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

DATED this 17 of August, 2018.

Respectfully submitted,

INCLINE OPERATING, LLC

By: 

Cody C. Bourke

Frances A. Folin

Snell & Wilmer L.L.P.

1200 Seventeenth Street, Suite 1900

Denver, CO 80202-5854

cbourke@swlaw.com

ffolin@swlaw.com

Address of Applicant:

Incline Operating, LLC

Attn: Juliann Friday

1626 Wazee Street, Suite 200-B

Denver, CO 80202

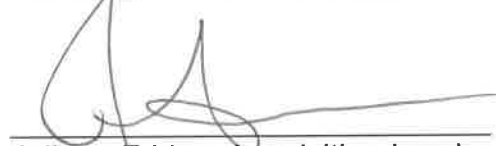
VERIFICATION

State of Colorado)

County of Denver)

Juliann Friday, Acquisitions Lead for Incline Operating, LLC, upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

INCLINE OPERATING, LLC



Juliann Friday, Acquisition Lead

Subscribed and sworn before me this 17th day of August, 2018, by Juliann Friday,
Acquisition Lead for Incline Operating, LLC.

Witness my hand and official seal.

My commission expires: _____

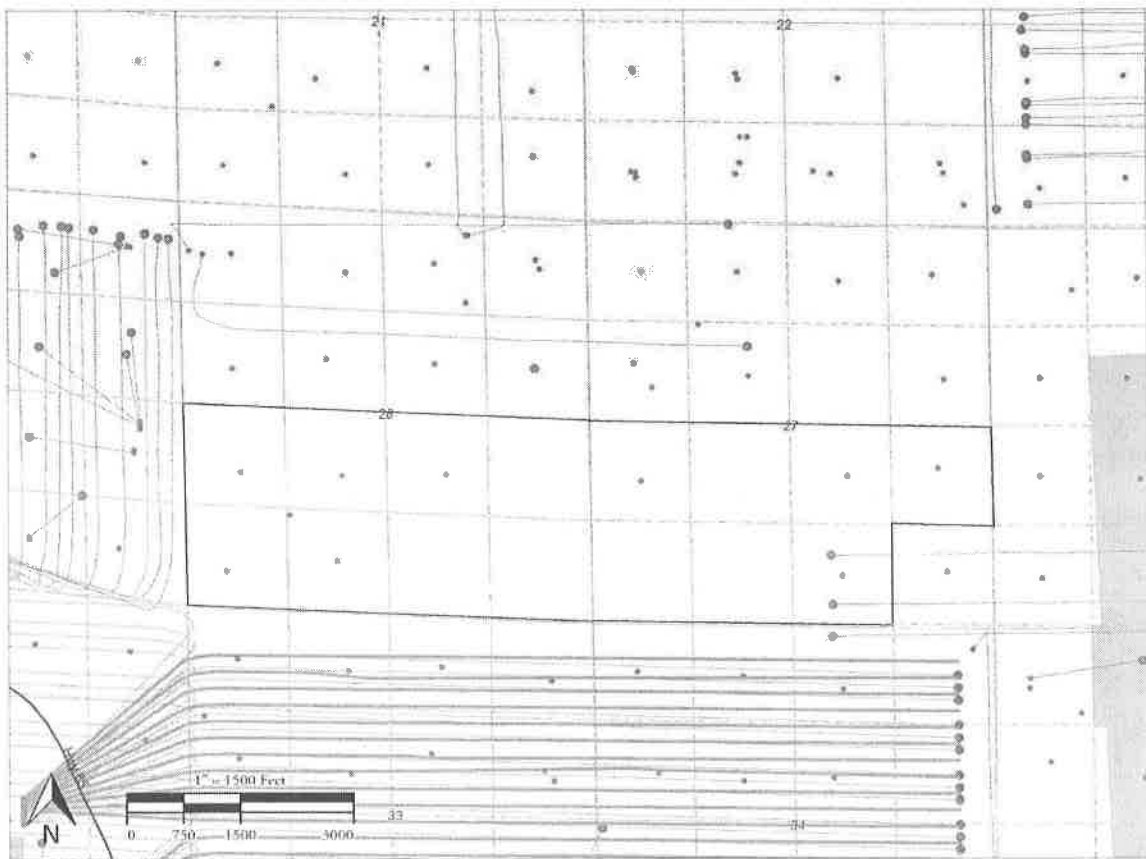

Notary Public

Exhibit A

Reference Map for Spacing Application

Incline Operating, LLC

SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27 and S $\frac{1}{2}$ of Section 28,
Township 6 North, Range 65 West, 6th P.M.



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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 Incline Operating, LLC, and that on or before the 17 day of August, 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.



Frances A. Folin

Subscribed and sworn before me this 17th day of August, 2018.

Witness my hand and official seal.

My commission expires: 10/12/2019



Notary Public

MARTHA MCCLEERY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20074036988
MY COMMISSION EXPIRES OCTOBER 12, 2019

List of Interested Parties

Noble Energy, Inc.
1625 Broadway, Ste 2200
Denver, CO 80202

Sand Ridge Resources, LLC
8748 Longs Peak Circle
Windsor, CO 80550

Jack L. Schreiber
2155 Glenfair Drive
Greeley, CO 80631

SRC Energy Inc.
1625 Broadway, Ste 2200
Denver, CO 80202

Wells Energy Company
Attn: William C. Wells, Jr.
100 Filmore St. #450
Denver, CO 80206

Willmar LLC
Attn: Patricia Williams
7657 E. Via De Ventura
Scottsdale, AZ 85258

Pivotal Niobrara, LP
2021 McKinney Ave., Ste. 1250
Dallas, TX 75201

Extraction Oil and Gas, Inc.
370 17th St., Ste. 5300
Denver, CO 80202

Verdad Resources LLC
5960 Cedar Springs Rd., Ste. 200
Dallas, TX 75235

Colorado Department of Public Health &
Environment
Kent Kuster, Oil & Gas Consultant
Coordinator

4300 Cherry Creek Dr. South
Denver, CO 80246-1530

Colorado Parks and Wildlife Northeast
Region Office
Brandon Marette, Energy Liaison
6060 Broadway
Denver, CO 80216

Weld County Department of Planning
Services
Troy Swain
1555 North 17th Ave.
Greeley, CO 80631