

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

IN THE MATTER OF AN APPLICATION BY
ENERPLUS RESOURCES (USA) CORPORATION
FOR AN ORDER TO (1) VACATE ORDER NOS. 535-2
AND 535-109; AND (2) ESTABLISH AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT AND AUTHORIZE UP TO 12
HORIZONTAL WELLS FOR PRODUCTION FROM
THE NIOBRARA, FORT HAYES, CODELL, AND
CARLILE FORMATIONS, FOR SECTIONS 13 AND 14,
TOWNSHIP 8 NORTH, RANGE 67 WEST, 6TH P.M.,
UNNAMED FIELD, WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. *To be
assigned*

TYPE: SPACING

APPLICATION

Enerplus Resources (USA) Corporation, Operator No. 10177 ("Enerplus" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to (1) vacate Order Nos. 535-2 and 535-109; and (2) establish an approximate 1,280-acre drilling and spacing unit for Sections 13 and 14, Township 8 North, Range 67 West, 6th P.M., and authorize the drilling of up to 12 horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hayes, Codell, and Carlile Formations. 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 is an owner in the below-listed lands:

Township 8 North, Range 67 West, 6th P.M.

Section 13: All

Section 14: All

1,280 acres, more or less, Weld County, Colorado.

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

3. Rule 318.a. of the Commission Rules provides 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 producible 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 this rule for the Niobrara, Fort Hayes, Codell, and Carlile Formations.

Prior Orders applicable to Application Lands

4. On August 12, 2010, the Commission entered Order No. 535-2 which, among other things, established approximate 640-acre drilling and spacing units for Sections 13 and 14, Township 8 North, Range 67 West, 6th P.M., and other lands, for the production of gas and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations, and authorized one horizontal well in each formation, with the initial formation penetration, lateral leg, and terminus (bottomhole location) of the permitted wells no closer than 600 feet from the boundaries of the unit and the initial formation penetration, lateral leg and terminus (bottomhole location) of the second well not closer than 1,200 feet from the first well.

5. On December 12, 2011, the Commission entered Order No. 535-109 which, among other things, pooled all interests in the approximate 640-acre drilling and spacing unit established by Order No. 535-2 for Section 14, Township 8 North, Range 67 West, 6th P.M., for the development and operation of the Niobrara Formation.

6. The records of the Commission indicate that there are no horizontal wells currently producing from the Niobrara, Fort Hayes, Codell, and Carlile Formations underlying the Application Lands.

7. Applicant requests that the Commission vacate Order No. 535-2 and 535-109 in their entirety.

Establishing an approximate 1,280-acre drilling and spacing unit and authorizing up to 12 horizontal wells for development of the Niobrara, Fort Hays, Codell, and Carlile Formations

8. Applicant requests that the Commission establish the Application Lands as an approximate 1,280-acre drilling and spacing unit for the Niobrara, Fort Hayes, Codell, and Carlile Formations pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. 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 Niobrara, Fort Hayes, Codell, and Carlile Formations.

9. Further, Applicant requests it be authorized to drill and complete up to six (6) horizontal wells in the drilling and spacing unit proposed for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, and up to six (6) horizontal wells in the drilling and spacing unit proposed for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Codell Formation, 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.

10. Applicant states that it is not targeting the Fort Hayes or Carlile Formations as part of its planned drilling program. However, due to the proximity of the Fort Hayes and Carlile Formations to the Codell Formation, it may be encountered during drilling and is hereby included in this Application.

Setback and Location Requirements of Proposed Drilling and Spacing Unit

11. 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, Fort Hayes, Codell, and Carlile Formations will be drilled from the surface of the drilling unit, or on adjacent lands with consent of the landowner, from no more than two (2) surface locations, 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, Fort Hayes, Codell, and Carlile Formations anywhere within the 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 600 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, Fort Hayes, Codell, and Carlile Formations, without exception being granted by the Director. The wells are to be drilled with an east/west orientation.

12. 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.

13. 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.

14. 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. Vacate Order Nos. 535-2 and 535-109 in their entirety.

B. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands and authorizing the drilling of up to six (6) horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the

Niobrara Formation, and up to six (6) horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the Codell Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 600 feet from the boundaries of the proposed unit, with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Niobrara, Fort Hayes, Codell, and Carlile Formations, unless an exception is granted by the Director. Any permitted wells to be drilled under this Application shall be drilled in an east to west or west to east wellbore orientation.

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 30th day of August, 2018

Respectfully submitted,

ENERPLUS RESOURCES (USA) CORPORATION

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Jillian Fulcher
James P. Parrot
Jobediah J. Rittenhouse
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Applicant's Address:
Enerplus Resources (USA) Corporation
Sean Gallagher, Senior Landman
950 17th Street, Suite 2200
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO

)

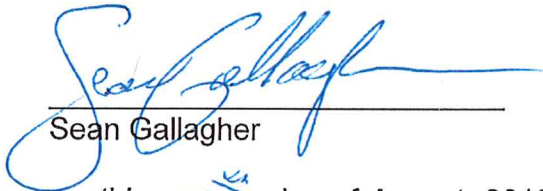
) ss.

CITY & COUNTY OF DENVER

)

Sean Gallagher, Senior Regional Landman for Enerplus Resources (USA) Corporation, 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.

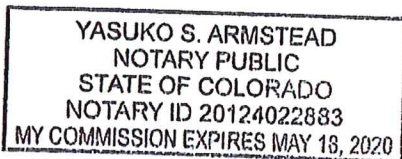
ENERPLUS RESOURCES (USA)
CORPORATION


Sean Gallagher

Subscribed and sworn to before me this 20th day of August, 2018, by Sean Gallagher, Senior Landman for Enerplus Resources (USA) Corporation.

Witness my hand and official seal.

My commission expires: 5/18/2020



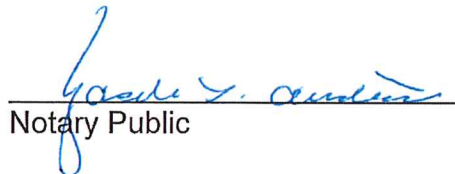

Notary Public

EXHIBIT A

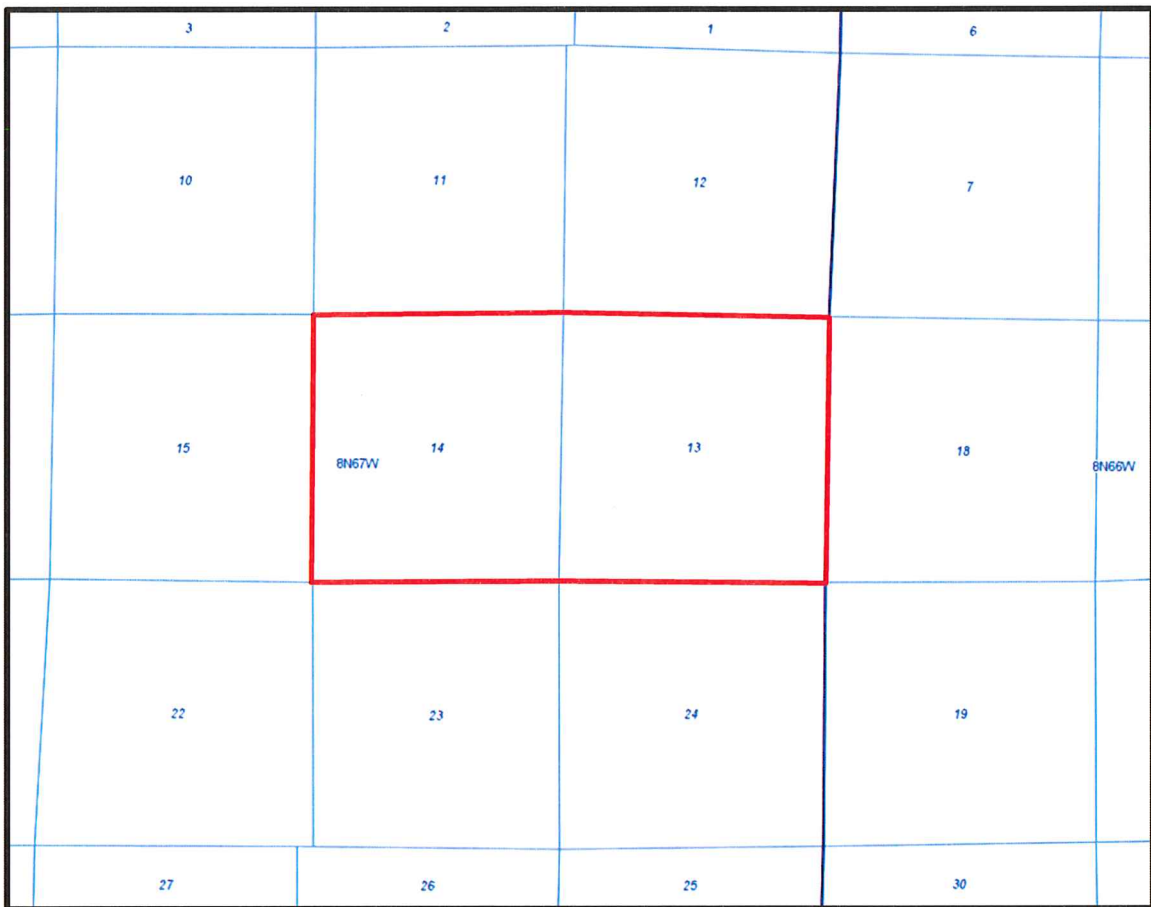
Reference Map for Spacing Application

Township 8 North, Range 67 West, 6th P.M.

Section 13: All

Section 14: All

1,280 acres, more or less, Weld County, Colorado




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

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Enerplus Resources (USA) Corporation, and on or before the 6th day of September, 2018, caused a copy of the attached 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.

Notary Public



EXHIBIT A

INTERESTED PARTIES

SEAN HACKETT, OIL AND GAS LIAISON
COLORADO DEPARTMENT OF PUBLIC HEALTH
AND ENVIRONMENT
4300 CHERRY CREEK DRIVE SOUTH
DENVER, CO 80246

BRANDON MARETTE, ENERGY LIAISON
COLORADO PARKS AND WILDLIFE
NORTHEAST REGION OFFICE
6060 BROADWAY
DENVER, CO 80216

TROY SWAIN
WELD COUNTY
DEPARTMENT OF PLANNING SERVICES
1555 NORTH 17TH AVENUE
GREELEY, CO 80631

KERR-MCGEE OIL AND GAS ONSHORE, LP
ATTN: WATTENBERG LAND MANAGER
1099 18TH STREET, SUITE 1800
DENVER, COLORADO 80202-1918

LINCOLN ENERGY, LLC
P.O. BOX 6975
DENVER, CO 80206

LINCOLN ENERGY PARTNERS II, LLC
852 BROADWAY, STE. 300
DENVER, CO 80203

8 NORTH, LLC
1888 SHERMAN ST, STE 200
DENVER, CO 80203

EXTRACTION OIL AND GAS, LLC
370 17TH ST, STE 5300
DENVER, CO 80202

PLATTE RIVER ENERGY, LLC
8038 E. LEHIGH DR.
DENVER, CO 80237

PLATTE RIVER ENERGY, LLC
852 BROADWAY, SUITE 300
DENVER, CO 80203

NICKEL ROAD DEVELOPMENT LLC
600 17TH ST., STE 610
DENVER, CO 80202

GORE INVESTMENTS, LLC
P.O. BOX 102781
DENVER, CO 80250-2781

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P.O. BOX 280939
LAKEWOOD, CO 80228-0969

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LITTLETON, CO 80127

VIDA NOVA INVESTMENTS, LLC
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LITTLETON, CO 80162

BLACK FOREST RESOURCES, LLC
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DENVER, CO 80202

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SPRING HILL, KS 66083-9190

FLINTHILLS OIL COMPANY, LLC
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550 NORTH LINCOLN AVENUE, #408
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DPOC, LLC
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BLACK MOUNTAIN, NC 28711

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PIERCE, CO 80650

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