

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

IN THE MATTER OF THE **AMENDED**)
APPLICATION OF EDGE ENERGY II, LLC)
FOR AN ORDER ESTABLISHING TWO)
APPROXIMATE 1,280-ACRE DRILLING AND)
SPACING UNITS AND APPROVING UP TO)
TWELVE HORIZONTAL WELLS WITHIN THE)
UNIT WITH WELL LOCATION RULES)
APPLICABLE TO THE DRILLING OF WELLS)
AND PRODUCING OF OIL, GAS, AND)
ASSOCIATED HYDROCARBONS FROM THE)
NIOBRARA, FORT HAYS, CODELL AND)
CARLILE FORMATIONS FOR CERTAIN)
LANDS IN TOWNSHIPS 8 AND 9 NORTH,)
RANGE 66 WEST, 6TH P.M., UNNAMED)
FIELD, WELD COUNTY, COLORADO.)

CAUSE NO. 535
DOCKET NO. 181000814
TYPE: SPACING

AMENDED APPLICATION

Edge Energy II, LLC, Operator No. 10671 (“Applicant” or “Edge”), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission”) for an order establishing two approximate 1,280-acre drilling and spacing units, and approving up to twelve horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations covering certain lands in Townships 8 and 9 North, Range 66 West, 6th P.M., Weld County, Colorado. In support of its **Amended** Application, Applicant states 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 owns leasehold interests in the following lands (“Application Lands”) and is an Owner as defined by Commission Rules and the Conservation Act with standing to bring this Application:

Drilling and Spacing Unit (“DSU”) No. 1

Township 8 North, Range 66 West, 6th P.M.
Section 2: All

Township 9 North, Range 66 West, 6th P.M.
Section 35: All

DSU No. 2

Township 8 North, Range 66 West, 6th P.M.

Section 3: All

Township 9 North, Range 66 West, 6th P.M.

Section 34: All

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. provides that a well drilled in excess of 2,500 feet in depth 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 or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.

4. On August 12, 2010, the Commission entered Order No. 535-2, which established one hundred forty-five approximate 640-acre drilling and spacing units for certain lands in Townships 8, 9, and 10 North, Ranges 65, 66, and 67 West, 6th P.M., and approved one horizontal well within each of the Niobrara and Codell Formation within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formation, with treated interval of the wellbore located no closer than 600 feet from the unit boundaries, and not closer than 1,200 feet from the first well, without exception being granted by the Director. **Section 3, Township 8 North, Range 66 West, 6th P.M., and Sections 34 and 35, Township 9 North, Range 66 West, 6th P.M. are subject to this order for the Niobrara and Codell Formations.** ~~The Application Lands are subject to this order for the Niobrara and Codell Formations.~~

5. On March 5, 2012, the Commission entered Order No. 535-142, which pooled all interests in an approximate 640-acre drilling and spacing unit for Section 2, Township 8 North, Range 66 West, 6th P.M., and approved cost-recovery pursuant to Section 34-60-116(7)(a), C.R.S., against any nonconsenting owners in the Reeves 2-8-66 1H Well, for the production of oil, gas, and association hydrocarbons from the Niobrara Formation. Section 2, Township 8 North, Range 66 West, 6th P.M., of the Application Lands, is subject to this order for the Niobrara Formation.

6. **On September 17, 2018, the Commission entered an Order approving an application in Docket No. 180600456 (“Docket No. 180600456”) which, among other things, requested that the Commission vacate an approximate 640-acre drilling and spacing unit established by Order No. 535-2 for Section 2, Township 8 North, Range 66 West, 6th P.M., and establish an approximate 1,280-acre drilling and spacing unit covering Sections 1 and 2, Township 8 North, Range 66 West, 6th P.M., and approve up to twelve horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations, with the treated interval of the wells within the unit located no closer than 150 feet from the productive interval of any other horizontal well within the unit producing oil, gas, and associated hydrocarbons**

from the Niobrara, Fort Hays, Codell, and Carlile Formations, and no closer than 300 feet from the unit boundaries, without exception being granted by the Director. The Commission has not yet issued an order number for this agency decision. Section 2, Township 8 North, Range 66 West, 6th P.M. is subject to this order.

7. There are no horizontal wells drilled or producing from the Application Lands.

8. To promote efficient drainage, to protect correlative rights and to assist in preventing waste, the Commission should:

(a) Vacate approximate 640-acre drilling and spacing units established by Order No. 535-2 for Sections ~~2 and 3~~, Township 8 North, Range 66 West, 6th P.M., and Sections 34 and 35, Township 9 North, Range 66 West, 6th P.M.;

(b) Vacate an approximate 1,280-acre drilling and spacing unit established by Commission order approving Docket No. 180600456 for Sections 1 and 2, Township 8 North, Range 66 West, 6th P.M.;

(bc) Establish two approximate 1,280-acre drilling and spacing units for the Application Lands, and approve a total of up to twelve (12) horizontal wells within each unit, with the productive interval of the permitted horizontal wells within the unit located no closer than 150 feet from the productive interval of any other horizontal wellbore within the same common source of supply, and no closer than 300 feet from the unit boundaries, without exception being granted by the Director.

9. Applicant requests the establishment of the above-proposed drilling and spacing units and authority to drill only those wells necessary to determine the well density that will allow for efficient drainage of the Niobrara, Fort Hays, Codell and Carlile Formations, will prevent waste, will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Application Lands. Applicant maintains that the proposed drilling and spacing units are not smaller than the maximum area that can be economically and efficiently drained by the requested number of wells within each unit. Applicant further maintains that wells drilled in the above-proposed drilling and spacing units will have no adverse effect on correlative rights of adjacent owners.

11. The Application Lands contain federal minerals. As such, Applicant agrees to submit a Communitization Agreement to the BLM at least 30 days before the anticipated date of first production (as defined in the COGCC Rules) from the initial well drilled within the unit containing federal minerals.

12. The Applicant states the proposed horizontal wells will be drilled from no more than four locations within each unit or at a legal location(s) on adjacent lands, without exception being granted by the Director.

13. The target formations for horizontal development consist of the Niobrara Formation and the Codell Formation. However, to account for the relative thickness of the Codell Formation in this area, Applicant has requested that the Fort Hays Formation and Carlile Formation be included within the units.

14. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof., ~~and the undersigned certifies that copies of the **Amended** Application shall be served on each interested party within seven days as required by Rule 503.e and 507.b.(1).~~

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 consistent with Applicant's proposals as set forth above.

Dated this 28 day of September, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

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Golden, CO 80401
Attn: Erik Larsen;
Phone: 303.547.0792

VERIFICATION

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

Erik Larsen with Edge Energy II, LLC, upon oath deposes and says that he has read the foregoing Amended Application and that the statements contained therein are true to the best of his knowledge, information and belief.

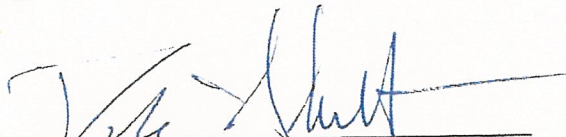
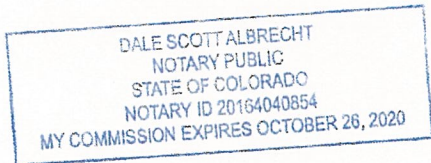
EDGE ENERGY II, LLC



Erik Larsen

Subscribed and sworn to before me this 25th day of September, 2018, by Erik Larsen for Edge Energy II, LLC.

Witness my hand and official seal.



Notary Public

My Commission Expires: 10/26/2020

EXHIBIT A

INTERESTED PARTIES

Weld County Department of Planning Services

Jason Maxey
1555 North 17th Avenue
Greeley CO 80631

Colorado Department of Public Health and Environment

Attn: Oil and Gas Liason
4300 Cherry Creek Drive South
Denver, CO 80246-1500

Colorado Parks and Wildlife

Brandon Marette
Northeast Region Office
6060 Broadway
Denver, CO 80216

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EXHIBIT A

INTERESTED PARTIES

8 North LLC
Anadarko Oil & Gas 5, LLC
Aztec Exploration, LLC
Black Forest Resources, LLC
Dahlia Royalties, LLC
Edge Energy II, LLC
Edge Energy II, LLC
Enerplus Resources (USA) Corporation
Flinthills Oil Company
Gore Range Investments, LLC
Kerr-McGee Oil and Gas Onshore, LP
Lincoln Energy, LLC
Marshall & Winston, Inc.
McMahon Energy Partners, LP
Nickel Road Development, LLC
Platte River Energy, LLC
Steven G. Dill and Justine Dill, in joint tenancy
Suzanne L. McWilliams Revocable Trust Dated the 3rd day of July 1991
Tofte Energy Partners Limited Partnership
Vida Nova Investments, LLC
WYOTEX Drilling Ventures, LLC

Exhibit B - Application Lands

