

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

IN THE MATTER OF THE APPLICATION OF
HIGHPOINT OPERATING CORPORATION
FOR AN ORDER TO ~~(1) VACATE~~ **AMEND**
ORDER NO. 421-97 **TO:** ~~(2) ESTABLISH AN~~
~~APPROXIMATE 1,280-ACRE DRILLING AND~~
~~SPACING UNIT FOR SECTIONS 22 AND 27,~~
~~TOWNSHIP 11 NORTH, RANGE 62 WEST,~~
~~6TH P.M., (3) (1) APPROVE UP TO 16 NEW~~
HORIZONTAL WELLS WITHIN THE UNIT, AND
(2) APPROVE 150' UNIT BOUNDARY
SETBACKS FOR THE NIOBRARA AND FT.
HAYS FORMATIONS AND 300' UNIT
BOUNDARY SETBACKS FOR THE CODELL
AND CARLILE FORMATIONS, FOR THE
PRODUCTION OF OIL, GAS AND
ASSOCIATED HYDROCARBONS FROM THE
CODELL, CARLILE, FORT HAYS AND
NIOBRARA FORMATIONS, HEREFORD
FIELD, WELD COUNTY, COLORADO

CAUSE NO. 421

DOCKET NO. 181200894

TYPE: SPACING

AMENDED APPLICATION

HighPoint Operating Corporation (Operator No. 10071) ("HighPoint" or "Applicant"), by and through its attorneys, Jost Energy Law, 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~~ **amend Order No. 421-97 which established an approximate** the 1,280-acre drilling and spacing unit established for Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M. ~~by Order No. 421-97 for the Niobrara, Fort Hays, Codell and Carlile Formations, (2) establish an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations and to:~~ (1) approve **a total of** up to 16 new horizontal wells in the approximate 1,280-acre unit, **for the Niobrara, Fort Hays, Codell and Carlile Formations**, (2) provide for 150' setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Niobrara and Fort Hays Formations, 300' setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Codell and Carlile Formations, and 150' inter-well setbacks from any wellbore within the unit, and (3) provide for up to four (4) well pad locations for the new horizontal wells within the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly organized and 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 and Commission Rules and owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 11 North, Range 62 West, 6th P.M.

Section 22: All

Section 27: All

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

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply.

4. On October 21, 2010, the Commission entered Order No. 421-3 which, among other things, established 83 approximate 640-acre drilling and spacing units for certain lands, including Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M., for the production of oil and gas and associated hydrocarbons from the Niobrara Formation, with no more than one horizontal well to be drilled in each unit from a surface location anywhere in the unit with the horizontal leg and bottom-hole location to be not closer than 600 feet from the boundaries of each unit.

5. On October 30, 2017, the Commission entered Order No. 421-97 which, among other things, 1) vacated two 640-acre drilling and spacing unit established for Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M., by Order No. 421-3, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, 2) established an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations, and 3) approved up to 15 horizontal wells for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, and approved up to six horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Fort Hays, Codell, and Carlile Formations.

6. The Commission records show that there are no wells producing within the Niobrara, Fort Hays, Codell or Carlile Formations within the Application Lands, and there are six (6) approved Form 2 APDs within the Application Lands.

7. To promote efficient drainage within the Codell, Carlile, Fort Hays and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should ~~(1) vacate~~ **amend Order No. 421-97 which established an approximate** the 1,280-acre drilling and spacing unit established for Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M. by Order No. 421-97 for the Niobrara, Fort Hays, Codell and Carlile Formations, ~~to: (2) establish an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations and~~ (1) approve **a total of** up to 16 new horizontal wells in the approximate 1,280-acre unit, **for the Niobrara, Fort Hays, Codell and Carlile Formations**, (2) provide for 150' setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Niobrara and Fort Hays Formations, 300' setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Codell and Carlile Formations, and 150' inter-well setbacks from any wellbore within the unit, and (3) provide for up to four (4) well pad locations for the new horizontal wells within the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations underlying the Application Lands.

8. The above-proposed ~~drilling and spacing unit~~ **amendments** will allow 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 gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.

9. The Applicant is requesting to drill and complete up to 16 new horizontal wells within the unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations within the approximate 1,280-acre drilling and spacing unit composed of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.

10. The Applicant maintains that the wells proposed for the development of the Application Lands will be drilled from no more than four (4) well pads, unless an exception is granted by the Director.

11. The productive interval of each proposed horizontal well shall be no closer than 150 feet from the boundaries of the unit for the Niobrara and Fort Hays Formations and no closer than 300 feet from the unit boundaries for the Codell and Carlile Formations, and all horizontal wells shall be no closer than 150 feet from the productive interval of any other well within the unit, unless an exception is granted by the Director.

12. The undersigned certifies that copies of this Application will be served on each interested party 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 on December 17-18, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order to:

A. ~~Vacate~~ **Amend Order No. 421-97 which established an approximate** the 1,280-acre drilling and spacing unit established for Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M. ~~by Order No. 421-97 for the Niobrara, Fort Hays, Codell and Carlile Formations to:~~

(1) **Approve up to 16 new horizontal wells in the approximate 1,280-acre unit, for the Niobrara, Fort Hays, Codell and Carlile Formations.**

(2) Provide for 150' productive interval setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Niobrara and Ft. Hays Formations, 300' setbacks as to the boundaries of the approximate 1,280-acre drilling and spacing unit for production from the Codell and Carlile Formations, and 150' inter-well setbacks from any wellbore within the unit.

(3) ~~Provide for~~ **Authorize** up to four (4) well pad locations for the new horizontal wells within the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations underlying the Application Lands.

B. ~~Establish an approximate 1,280-acre drilling and spacing unit for Sections 22 and 27, Township 11 North, Range 62 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations and approve up to 16 new horizontal wells in the approximate 1,280-acre unit.~~

B. Find that the proposed ~~1,280-acre drilling and spacing unit amendments~~ for the development of the Niobrara, Fort Hays, Codell and Carlile Formations on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara, Fort Hays, Codell and Carlile Formations on the Application Lands.

C. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED September ~~November~~ 7th, 2018.

Respectfully submitted:

HighPoint Operating Corporation

By: 

Jamie L. Jost
Kelsey H. Wasylenky
Jost Energy Law, P.C.
Attorneys for Applicant
1401 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620

Applicant's Address:

HighPoint Operating Corporation
ATTN: Teale Stone
1099 18th Street, Suite 2300
Denver, CO 80202

VERIFICATION

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

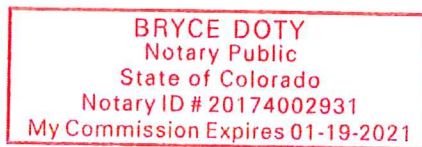
Teale Stone, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman for HighPoint Operating Corporation, and that he has read the foregoing Amended Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Teale Stone
Landman
HighPoint Operating Corporation

Subscribed and sworn to before me this 7th day of November, 2018.

Witness my hand and official seal.

[SEAL]



My commission expires: 1-19-2021


Notary Public

Reference Map

Sections 22 & 27, Township 11 North, Range 62 West, 6th P.M.

