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

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IN THE MATTER OF THE APPLICATION OF 8 NORTH, LLC, FOR AN ORDER TO ESTABLISH AN APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 21 & 28, TOWNSHIP 11 NORTH, RANGE 60 WEST, 6TH P.M., AND AUTHORIZING THE DRILLING OF TWELVE HORIZONTAL WELLS WITHIN THE PROPOSED UNIT, FOR PRODUCTION FROM THE CODELL, FORT HAYS, CARLILE, AND NIOBRARA FORMATIONS, UNNAMED FIELD, WELD COUNTY, COLORADO

CAUSE NO. 535 DOCKET NO. To be determined TYPE: Spacing

APPLICATION

8 North, LLC ("8 North" or "Applicant"), Operator #10575, by and through its attorneys, Poulson, Odell & Peterson, LLC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order: (1) vacating the approximate 640-acre exploratory drilling unit established by Order No. 535-120 for Section 21, Township 11 North, Range 60 West, 6th P.M., and authorized the drilling of one or more wells within said unit, for production of oil, gas and associated hydrocarbons from Codell and Niobrara Formations, and (2) establishing an approximate 1,280-acre drilling and spacing unit for Sections 21 and 28, Township 11 North, Range 60 West, 6th P.M., and authorizing the drilling of 12 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from Codell, Fort Hays, Carlile, and Niobrara Formations. In support of this Application ("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 COGCC.

2. Applicant owns substantial leasehold interests in the below-listed lands ("Application Lands"):

Township 11 North, Range 60 West, 6th P.M.Section 21:AllSection 28:All

Exhibit A, Application Map is attached hereto and depicts the Application Lands consisting of 1,280 acres, more or less.

3. COGCC Rule 318.a. provides that for any oil or gas well drilled to a common source of supply and drilled to a producing depth at least 2,500 feet below ground surface shall be located not less than 600 feet from any leaseline and not less than 1,200 feet from any other producing or drilling oil or gas well when drilling to the same source of supply, unless authorized by Commission order upon hearing. Section 21, Township 11 North, Range 60 West, 6th P.M., is subject to this Rule for production of oil and gas from Carlile and Fort Hays Formations. Section 28, Township 11 North, Range 60 West, 6th

P.M., is subject to this Rule for production of oil and gas from Codell, Fort Hays, Carlile, and Niobrara Formations. The Fort Hays and Carlile Formations are non-target formations, however are included in the proposed drilling and spacing unit at the Commission's request in the event the horizontal wellbore of any permitted well under the approved Application deviates into these formations.

4. On January 23, 2012, the Commission issued Order No. 535-120 which, among other things, established an approximate 640-acre exploratory drilling unit for Section 21, Township 11 North, Range 60 West, 6th P.M., and authorized the drilling of one or more wells within the unit, for production of oil, gas and associated hydrocarbons from Codell and Niobrara Formations, with the treated interval of any permitted well located no closer than 600 feet from unit boundaries and no closer than 150 feet from another well or treated interval of a well.

<u>Vacating the approximate 640-acre exploratory drilling unit established by Order No. 535-120 for</u> <u>Section 21, Township 11 North, Range 60 West, 6th P.M., for production from Codell and Niobrara</u> <u>Formations</u>

5. Applicant herein requests the approximate 640-acre exploratory drilling unit established by Order No. 535-120 for Section 21, Township 11 North, Range 60 West, 6th P.M., which authorized the drilling of one or more wells within said unit, for production of oil, gas and associated hydrocarbons from Codell and Niobrara Formations, be vacated. By vacating Order No. 535-120, Applicant will herein propose the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, with authority to drill 12 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from Codell, Fort Hays, Carlile, and Niobrara Formations. This proposed development plan will allow the drilling of 12 two-mile laterals running north-to-south or south-to-north within the proposed unit, thereby preventing waste while protecting correlative rights within the proposed unit area.

Establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, for production from Codell, Fort Hays, Carlile and Niobrara Formations

6. Applicant herein seeks the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, and the authority to drill 12 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from Codell, Fort Hays, Carlile, and Niobrara Formations. Further, the establishment of the drilling and spacing unit is not smaller than the area which can be efficiently and economically drained by the drilling of the requested horizontal wells to be drilled within said unit.

7. Applicant herein requests the treated intervals of any horizontal well permitted under this Application should be located not less than 300 feet from proposed unit boundaries and not less than 150 feet from the treated interval of any other well producing or drilling from Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

8. Further, Applicant herein requests any permitted wells drilled under this Application should be located on no more than four multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

* * *

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 COGCC rules.

10. Applicant requests that relief granted as result of this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by the oral order of the Commission.

11. That the names and addresses of interested parties (owners within the Application Lands and owners cornering and contiguous to the Application Lands) according to the information and belief of the Applicant will be set forth in <u>Exhibit B</u>, an attachment to the certificate of service for the Application and legal Notice of Hearing, as required by Rule 507.

WHEREFORE, Applicant respectfully requests this matter be set for hearing, notice be given as required by law, and that upon such hearing the Commission enter its order:

A. Vacating the approximate 640-acre exploratory drilling unit established by Order No. 535-120 for Section 21, Township 11 North, Range 60 West, 6th P.M., and authorized the drilling of one or more wells within said unit, for production of oil, gas and associated hydrocarbons from Codell and Niobrara Formations.

B. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of 12 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations, with the treated interval of any horizontal well permitted under this Application located not less than 300 feet from unit boundaries and not less than 150 feet from any other well producing or drilling from the Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

C. Limiting the drilling of any permitted wells under this Application to no more than four multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

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

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DATED this 29 day of January, 2019.

Respectfully submitted,

8 NORTH, LLC By: Robert A. Willis (Colorado Bar #26308) Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, CO 80203

Applicant's Address: 370 Seventeenth Street, Suite 5300 Denver, CO 80202

VERIFICATION

) ss.

(303) 264-4418

STATE OF COLORADO

CITY & COUNTY OF DENVER

Sean Flanagan, Landman for 8 North, LLC, 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.

8 NORTH, LLC

Subscribed and sworn to before me this <u>29th</u> day of January, 2019, by Sean Flanagan, Landman for 8 North, LLC.

Witness my hand and official seal.

- Application Lands

Township 11 North, Range 60 West, 6th P.M.

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

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CAUSE NO. 535

DOCKET NO. 190400308

TYPE: Spacing

CERTIFICATE OF MAILING

I, Bridget Wittrock, hereby certify that on the 21st day of February, 2019, I caused a copy of (i) the Application and ((ii) the Notice of Hearing in the above-referenced Docket Number to be deposited in the U.S. Mail, postage prepaid, addressed to the parties listed on <u>Exhibit B</u> attached hereto.

DATED this 21st day of February, 2019.

Bridget (titt noch

Bridget Wittrock Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, Colorado 80203

EXHIBIT B

INTERESTED PARTIES

Anadarko E&P Onhsore, LLC 1099 18th Street, Suite 1800 Denver, CO 80202 190400308

Bureau of Land Management 2850 Youngfield Street Lakewood, CO 80215 190400308

Clear Creek Resource Partners Holdings, LLC 717 17th Street, Suite 1525 Denver, CO 80202 190400308

Crystal Cathedral Ministries 13280 Chapman Ave. Garden Grove, CA 92840 190400308

Lawrence J. Shupe & Marjorie Shupe Revocable Living Trust 2001 N. 66th Street Scottsdale, AZ 85257 190400308

Noble Energy, Inc. 1625 Broadway, Suite 2000 Denver, CO 80202 190400308

Timothy & Sheila Ridnour 40550 CR 70 Briggsdale, CO 80611 190400308 Antelope Energy Company, LLC 1801 Broadway, Suite 1550 Denver, CO 80202 190400308

Calf Creek Roalty, Ltd. P O Box 3240 Midland, TX 79702 190400308

Contex Energy Co., LLC 621 17th Street, Suite 1020 Denver, CO 80293 190400308

Grayrock Minerals, LLC 5950 Cedar Springs Rd., Suite 200 Dallas, TX 75235 190400308

Lonesome Pines Land & Cattle Co., LLC 50001 County Road 122 Grover, CO 80729 190400308

Okreek Oil & Gas II, LLC 475 17th Street, Suite 1350 Denver, CO 80202 190400308

Stratford Investments, Ltd. P O Box 11115 Midland, TX 79702 190400308

8 North, LLC 370 17th Street, Suite 5300 Denver, CO 80202 190400308

Border Resources, LLC 5300 DTC Parkway, Suite 230 Greenwood Village, CO 80111 190400308

Cat Spring Properties, LLC P O Box 450 Sealy, TX 77474 190400308

Contex Energy Company 370 17th Street, Suite 1020 Denver, CO 80293 190400308

Daniel & Shirley Kinnison 119 East 9th Street Kimball, NE 68145 190400308

Mekusukey Oil Co., LLC P. O. Box 816 Wewoka, OK 74884 190400308

Platte River Energy, LLC 852 Broadway, Suite 300 Denver, CO 80203 190400308

Whiting Oil & Gas Corp 1700 Broadway, Suite 2300 Denver, CO 80290 190400308

Sean Hackett CDPHE 4300 Cherry Creek Dr. South Denver, CO 80246 190400308 Colo. Parks & Wildlife Attn: Brandon Marette 6060 Broadway Denver, CO 80216 190400308 Jason Maxey Weld County Dept. of Planning Services 1555 North 17th Ave. Greeley, CO 80631 190400308