

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

IN THE MATTER OF THE APPLICATION OF)	CAUSE NO. 1
CRESTONE PEAK RESOURCES OPERATING LLC)	
FOR AN ORDER TO: (1) ESTABLISH AND ACCEPT)	DOCKET NO. 170500189
A RULE 216 COMPREHENSIVE DRILLING PLAN)	
FOR PORTIONS OF SECTIONS 1, 2, 3, 10, 11 AND)	TYPE: GENERAL
12, TOWNSHIP 1 NORTH, RANGE 69 WEST, 6 th)	ADMINISTRATIVE
P.M. AND PORTIONS OF SECTIONS 25, 26, 27, 34,)	
35 AND 36, TOWNSHIP 2 NORTH, RANGE 69)	
WEST, 6 th P.M. FOR THE COMPREHENSIVE)	
DEVELOPMENT AND OPERATION OF THE)	
CODELL AND NIOBRARA FORMATIONS,)	
WATTENBERG FIELD, BOULDER COUNTY,)	
COLORADO, AND (2) TO APPROVE A RULE 502.b.)	
VARIANCE TO COMMISSION RULE 303.)	
)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 1 North, Range 69 West, 6th P.M.

Section 1: All
Section 2: All
Section 3: E½
Section 10: E½
Section 11: All
Section 12: All

Township 2 North, Range 69 West, 6th P.M.

Section 25: All
Section 26: All
Section 27: E½
Section 34: E½
Section 35: All
Section 36: All

6,400 acres, more or less, Boulder County, Colorado.

APPLICATION

On February 22, 2017, (amended on March 17, 2017 and June 15, 2018), Crestone Peak Resources Operating LLC (Operator No. 10633) (“Crestone Peak” or “Applicant”), filed a verified

application pursuant to Commission Rules 216 and 502.b(1) for an order:

1) Establishing and accepting a Comprehensive Drilling Plan for portions of Sections 1, 2, 3, 10, 11 and 12, Township 1 North, Range 69 West, 6th P.M. and portions of Sections 25, 26, 27, 34, 35 and 36, Township 2 North, Range 69 West, 6th P.M., Boulder County, Colorado for the comprehensive development and operation of the Niobrara and Codell Formations.

2) Approving a Rule 502.b. variance to Rule 303 to place a temporary hold on the acceptance of applications for permits-to-drill ("APD"), and Oil and Gas Location Assessments ("Form 2As") for the Application Lands from any Owner (as defined by C.R.S. 34-60-103(7)), except Applicant. Applicant may submit, and the Commission accept, APD and Form 2As as part of the Rule 216 Comprehensive Drilling Plan process for the Application Lands. The temporary hold will remain in effect until such time as the Commission issues an Order on Applicant's Rule 216 Comprehensive Drilling Plan Application.

APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- On February 19, 1992 (amended August 20, 1993), the Commission entered Order No. 407-87 which established 80-acre drilling and spacing units for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, with the permitted well locations in accordance with the provisions of Order No. 407-1. The Application Lands are subject to Order No. 407-87 as it applies to the existing vertical and/or directional well development and operation of the Niobrara and Codell Formations on the Application Lands.
- On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well, and to commingle any or all of the Cretaceous Age formations from the base of the Dakota Formation to the surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, to among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to this Rule for the Niobrara and Codell Formations. The Application Lands will be subject to the four hundred sixty (460) foot subsurface mineral boundary setback for the Codell and Niobrara Formations prescribed under Rule 318A.
- On May 1, 2017, the Commission entered Order No. 1-199, which recognized the voluntary standstill on the filing of any APDs and Form 2As by 8 North/Extraction and Kerr-McGee for the Application Lands. Order 1-199 provides that the standstill will remain in effect until the Commission enters an order on Crestone's Rule 216 Comprehensive Drilling Plan.
- COGCC Rules 216, 303 and 502.b.(1) apply to this Application.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S., and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled the request for hearing on these matters on:

Date: October 29-30, 2018
Time: 9:00 a.m.
Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission's website approximately 3 days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and variance request, and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509, no later than August 24, 2018.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings_unit@state.co.us), one original and two copies shall be filed with the Commission. **If the Director determines that a prehearing conference is necessary, anyone who filed a protest or intervention must be able to participate in a prehearing conference during the week of September 24, 2018.** Pursuant to Rule 511, if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Julie Spence-Prine, Secretary

Dated: August 3, 2018

Colorado Oil and Gas Conservation Commission
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