

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 535
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE CODELL, NIOBRARA AND) DOCKET NO. 170500289
GREENHORN FORMATIONS, UNNAMED FIELD,)
ADAMS COUNTY, COLORADO) TYPE: SPACING

SECOND NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

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

Section 21: All
Section 22: All
Section 23: All
Section 26: All
Section 27: All
Section 28: All
Section 33: N½
Section 34: N½
Section 35: N½

APPLICATION

On March 2, 2017 (Amended April 3, 2017), Great Western Operating Company, LLC (Operator No. 10110) ("Great Western" or "Applicant"), filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Establish an approximate 4,800-acre Unconventional Resource Unit ("the Pierce South URU") for the Application Lands, for the development and operation of the Codell, Niobrara and Greenhorn Formations.
- 2) Approve the appropriate number of horizontal wells within the proposed unit;
- 3) Require the productive interval of the wellbores to be no closer than 600 feet from unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director;
- 4) Acknowledge that the Pierce South URU will be governed by a Unit Agreement and Unit Operating Agreement that Applicant will present to the working interest owners within the unit before the June 12, 2017 Commission hearing.
- 5) Applicant states that each proposed horizontal well shall be located on no more than six new wellpads within the unit, or on adjacent lands, subject to Rule 318A, or the surface owner of the lands upon which the well or associated facilities are located requests specific placement of the wellpads, unless an exception is granted by the Director

6) Find that the any and all existing vertical or directional wells drilled and completed to the Codell, Niobrara and Greenhorn Formations (or the Codell or Niobrara Formation individually, as indicated on the applicable Application for Permit to Drill – “APD”) be excluded from the proposed 4,800-acre unit. Any production from existing vertical or directional wells drilled and completed to the Codell, Niobrara and Greenhorn Formations (or the Codell or Niobrara Formation individually, as indicated on the applicable APD) shall continue to be allocated on the current payment of production basis and such allocation shall not be affected by the approval of this Application.

7) Find that the any and all existing horizontal wells permitted or drilled and completed to the Codell, Niobrara and Greenhorn Formations (or the Codell or Niobrara Formation individually, as indicated on the applicable Application for Permit to Drill – “APD”) be excluded from the proposed 4,800-acre unit. Any production from existing horizontal wells drilled and completed to the Codell, Niobrara and Greenhorn Formations (or the Codell or Niobrara Formation individually, as indicated on the applicable APD) shall continue to be allocated on the current payment of production basis for the established units and such allocation shall not be effected by the approval of this Application.

APPLICABLE ORDERS AND RULES

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

- Rule 318.a. provides that any well to be drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.
- On March 7, 2016, the Commission entered Order No. 535-724 which among other things established an approximate 640-acre exploratory drilling and spacing unit, allowed for one horizontal well, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations and provided that the productive interval of the wellbore will be located no closer than 330 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore producing from the same source of supply within the unit, without exception being granted by the Director.

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 this matter for hearing on:

Dates: June 12-13, 2017

Time: 9:00 a.m.

Place: Rio Blanco County Courthouse
455 Main Street
Meeker, CO 81641

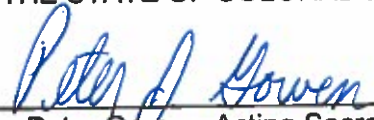
Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

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 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 May 26, 2017.** 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. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of May 26, 2017.** 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


Peter Gowen, Acting Secretary

Dated: April 5, 2017

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

Attorneys for Great Western:
Jamie L. Jost
Kelsey Wasylenky
Jost Energy Law, P.C.
1401 17th Street, Suite 370
Denver, Colorado 80202
Phone: (720) 446-5620
jjost@jostenergylaw.com
kwasylenky@jostenergylaw.com