

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 531
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA FORMATION,) DOCKET NO. 170900628
JACKSON COUNTY, COLORADO)
) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 7 North, Range 80 West, 6th P.M.
Section 5: All

Township 8 North, Range 80 West, 6th P.M.
Section 32: All

APPLICATION

On July 14, 2017, SandRidge Exploration & Production LLC (Operator No. 10598) ("SandRidge" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

1. Vacate an approximate 1267.58-acre drilling and spacing unit ("DSU") established by Order No. 531-4, for Sections 4 and 5, Township 7 North, Range 80 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
2. Establish an approximate 1266.24-acre DSU for the Application Lands, and authorizing the drilling of up to eight horizontal wells within the proposed DSU, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, from no more than two well pads, with the treated intervals of the wellbores to be not less than 100 feet from the north and south boundaries of the DSU, not less than 300 feet from the east and west boundaries of the DSU, and not less than 150 feet from the treated interval of a well producing from the Niobrara Formation, unless an exception is granted by the Director.
3. Amend, modify, or vacate the 640-acre exploratory drilling unit established by Order No. 531-12 for Section 32, Township 8 North, Range 80 West, 6th P.M., so as to allow the Grizzly 3-32H Well (API No. 05-057-06523) to remain subject to Order No. 531-12 and continue paying out on a 640-acre basis in accordance with said Order.
5. Applicant states that all horizontal wellbores in the unit will be drilled in a North/South direction.

APPLICABLE ORDERS AND RULES

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

- Rule 318.a. of the Commission Rules provides a well to be drilled 2,500 feet or greater 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 oil or gas well when drilling to the same common source of supply, unless authorized by the Commission upon hearing.
- On July 15, 2008, the Commission entered Order No. 531-2, which, among other things, established approximate 640-acre drilling and spacing units and authorized one horizontal well in each unit for certain lands in Townships 6 and 7 North, Ranges 80 and 81 West, 6th P.M., with the option to drill a second horizontal well, with a bottom hole location no closer than 600 feet from the boundaries of the unit, for production of gas and associated hydrocarbons from the Niobrara Formation.
- On July 29, 2013, the Commission entered Order No. 531-4, which, among other things, established an approximate 1267.58-acre drilling and spacing unit for Sections 4 and 5, Township 7 North, Range 80 West, 6th P.M., and approved up to seven wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be located no closer than 600 feet from the unit boundaries and no closer than 150 feet from the treated interval of any other wellbore located in the unit.
- On June 17, 2014, the Commission entered Order No. 531-12, which, among other things, established an approximate 640-acre drilling and spacing unit for the Section 32, Township 8 North, Range 80 West, 6th P.M., for the Niobrara Formation, approved up to one horizontal well within the unit, and pooled all interests within the unit established for said Section 32, for the development and operation of the Niobrara Formation, and subject all nonconsenting parties to cost recovery for the drilling of the well.
- On July 28, 2014, the Commission entered Order No. 531-17, which, among other things, approved two additional horizontal wells, for a total of up to three horizontal wells, within an approximate 640-acre drilling and spacing unit established by Order No. 531-12 for Section 32, Township 8 North, Range 80 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On May 18, 2015, the Commission entered Order No. 531-18, which, among other things, modified various Orders to allow 300 foot setbacks as to the unit boundaries of the drilling and spacing units established and/or modified by such orders, for the production of the oil, gas, and associated hydrocarbons from the Niobrara and Frontier Formations, modified various Orders to allow for 150 foot interwell setbacks, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, approved up to four horizontal wells within all approximate 480-acre and 640-acre drilling and spacing units established by various Orders for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and established four approximate 640-acre drilling and spacing units for Section 31, Township 8 North, Range 80 West, 6th P.M., and Sections 34, 35 and 36, Township 8 North, Range 81 West, 6th P.M., and approve up to four horizontal wells within each unit.

- On June 6, 2016, the Commission entered Order No. 531-31, which, among other things, authorized the drilling of nine additional horizontal wells, for a total of sixteen horizontal wells, on the approximate 1267.58-acre drilling and spacing unit for Sections 4 and 5, Township 7 North, Range 80 West, 6th P.M., established by Order No. 531-4 for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On August 29, 2016, the Commission entered Order No. 531-35, which, among other things, modified the setbacks in Order No. 531-18 to provide that the productive intervals of any wellbore shall be no closer than 100 feet from the northern and southern boundaries of the approximate 1280-acre drilling and spacing unit established by Order No. 531-4 for Sections 4 and 5, Township 7 North, Range 80 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

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:

Date: September 11-12, 2017
 Time: 9:00 a.m.
 Place: Durango Public Library
 Program Room #2
 1900 E 3rd Avenue
 Durango, CO 81301

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 August 28, 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 August 28, 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 
James P. Rouse, Acting Secretary

Dated: August 7, 2017

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