

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

IN THE MATTER OF THE PROMULGATION AND
ESTABLISHMENT OF FIELD RULES TO GOVERN
OPERATIONS FOR THE CODELL AND NIOBRARA
FORMATIONS, WATTENBERG FIELD, WELD
COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 171000723

TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 3 North, Range 68 West, 6th P.M.
Section 5: S½

APPLICATION

On August 31, 2017, Nickel Road Operating, LLC (Operator No. 10669), together with Cobalt Oil & Gas, LLC and Prelude Petroleum, LLC, both of which are affiliates of Nickel Road Operating, LLC under common ownership and control (together, "Nickel Road" or "Applicant"), filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

1. Establish an approximate 320-acre drilling and spacing unit for the Application Lands and approve up to 12 new horizontal wells within the proposed unit, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations;
2. Require that the productive interval of each proposed horizontal well in the approximate 320-acre drilling and spacing unit shall be no closer than 460 feet from the boundaries of the unit and all horizontal wells shall be no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.
3. Applicant stated that the wells will be drilled from no more than two well pads within the proposed drilling and spacing unit, to be located within such unit or adjacent thereto, unless an exception is granted by the Director.
4. For such other findings and orders as the Commission may deem proper or advisable in this matter.

APPLICABLE RULES AND ORDERS

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

- On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with permitted well locations in accordance with the provisions of Order No.

407-1. The Application Lands are subject to this Order for the Codell and Niobrara Formations.

- 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. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was amended to, among other things, address drilling of horizontal wells but did not prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area. The lands encompassing the Application Lands are subject to Rule 318A for wells drilled and producing in the Codell and Niobrara Formations and are also subject to 460' subsurface setback.

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: October 30-31, 2017

Time: 9:00 a.m.


Place: The Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln St. Suite 801
Denver, CO 80203

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 October 16, 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 October 16, 2017, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** 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: September 25, 2017

Colorado Oil and Gas Conservation Commission
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