

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE CODELL AND NIOBRARA) DOCKET NO. 171200855
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: SPACING
)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 7 North, Range 65 West, 6th P.M.

Section 3: S $\frac{1}{2}$

Section 4: S $\frac{1}{2}$

APPLICATION

On or before October 12, 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:

1) Establishing an approximate 640-acre drilling and spacing unit for Section 3: S $\frac{1}{2}$ and Section 4: S $\frac{1}{2}$, Township 7 North, Range 65 West, 6th P.M., and allowing up to twelve (12) new horizontal wells in the unit in order to efficiently and economically develop and recover the Codell and Niobrara Formations in the unit.

2) Providing that the treated interval of each proposed horizontal well shall be no closer than 460 feet on the boundaries of the proposed unit, and all horizontal wells shall be no closer than 150 feet from the treated interval of another well producing from the same supply within the unit, unless a waiver or consent is obtained from the operator of such well.

3) Providing that no more than two (2) new well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

4) Finding that the approximate 640-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell and Niobrara Formations in Section 3: S $\frac{1}{2}$ and Section 4: S $\frac{1}{2}$, Township 7 North, Range 65 West, 6th P.M.

5) For such other findings and orders as the Commission may deem proper or advisable in this matter.

APPLICABLE ORDERS AND RULES

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

- Rule 318.a. provides that "a 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." The Application Lands are subject to Rule 318.a.
- On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. The Application Lands are subject to this Rule for the Niobrara and Codell Formations.

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: December 11-13, 2017

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, 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 November 27, 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 November 27, 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: November 3, 2017

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