

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 FORT HAYS, CARLILE,) DOCKET NO. 180300125
CODELL AND NIOBRARA FORMATIONS,)
UNNAMED FIELD, WELD COUNTY, COLORADO) TYPE: SPACING
)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 8 North, Range 61 West, 6th P.M.

Section 17: All

Section 18: All

APPLICATION

On December 28, 2017, Mallard Exploration, LLC (Operator No. 10670) ("Mallard" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Maintain the approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 17, Township 8 North, Range 61 West, 6th P.M. for the payment of proceeds from the Sievers LE #17-62HN Well (API No. 05-123-36639), for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;
- 2) Maintain Order No. 535-304, which pooled all interests in the 640-acre drilling and spacing unit established for Section 17, Township 8 North, Range 61 West, 6th P.M., for the payment of proceeds from the Sievers LE #17-62HN Well (API No. 05-123-36639), for the development and operation of the Niobrara Formation;
- 3) Establish an approximate 1,280-acre drilling and spacing unit for Sections 17 and 18, Township 8 North, Range 61 West, 6th P.M., and approve up to 16 new horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations in the unit.
- 4) Provide that the productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the proposed unit (regardless of lease lines within the unit), unless an exception is granted by the Director, and no closer than 150 feet from the productive interval of any other wellbore within the unit producing from the same source of supply, unless an exception is granted by the Director and authorize up to four new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.
- 5) Find that the approximate 1,280-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Fort Hays, Carlile, Codell and Niobrara

Formations in Sections 17 and 18, Township 8 North, Range 61 West, 6th P.M.

6) 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. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. The Application Lands are subject to this Rule for the Codell, Fort Hays, and Carlile Formations.
- On February 22, 2011, the Commission entered Order No. 535-3 which established, among other things, 640-acre drilling and spacing units for the Application Lands and allowed one horizontal well to be drilled for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 535-3 also established 600' setbacks from the boundaries of the drilling and spacing unit without an exception being granted by the Director of the Commission. Order 535-3 applies to the Application Lands.
- On March 25, 2013, the Commission entered Order No. 535-304 which, among other things, pooled all interests in an approximate 640-acre drilling and spacing unit for Section 17, Township 8 North, Range 61 West, 6th P.M., Weld County, Colorado for the development and operation of the Niobrara Formation for the Sievers LE #17-62HN Well (API No. 05-123-36639). Upon review of Commission records, the Sievers LE #17-62HN Well (API No. 05-123-36639) is currently producing 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: March 19-20, 2018

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 March 5, 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. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of March 5, 2018, 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: February 8, 2018

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