

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 NIOBRARA AND CODELL) DOCKET NO. 180400308
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 7: All
Section 8: All

APPLICATION

On February 27, 2018, Nickel Road Operating LLC (Operator No. 10669), together with Nickel Road FW LLC, an affiliate 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) Vacate the approximate 320-acre drilling and spacing unit established by Order No. 407-1000 for the N½ of Section 8, Township 7 North, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations
- 2) Vacate the approximate 1,280-acre drilling and spacing unit established by Order No. 407-1781 for Section 12, Township 7 North, Range 66 West, 6th P.M. and Section 7, Township 7 North, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation.
- 3) Establish an approximate 1,280-acre drilling and spacing unit for Sections 7 and 8, Township 7 North, Range 65 West, 6th P.M., and approve up to 24 new horizontal wells in the proposed approximate 1,280-acre drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations.
- 4) Provide that the productive interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the proposed 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.
- 5) Provide that no more than two new well pads be authorized in the unit, or adjacent thereto, unless an exception is granted by the Director.
- 6) Finding that the approximate 1,280-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations

underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara and Codell Formations.

7) 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")

- On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule.
- On April 28, 2014, the Commission entered Order No. 407-1000 which, among other things, established an approximate 320-acre drilling and spacing unit for the N½ of Section 8, Township 7 North, Range 65 West, 6th P.M. for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations, and approved up to six horizontal wells within the unit, with the productive interval of the wellbore to be located no closer than 460 feet from the 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.
- On August 29, 2016, the Commission entered Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 12, Township 7 North, Range 66 West, 6th P.M. and Section 7, Township 7 North, Range 65 West, 6th P.M., and approved up to 16 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation, with the productive interval of any wellbore shall be located no closer than 150 feet from any other wellbore producing from the Codell and Niobrara Formations, and no closer than 460 feet from the unit boundaries, unless an exception is 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:

Date: April 30 - May 1, 2018

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, Colorado 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 April 16, 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 April 16, 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: March 23, 2018

Colorado Oil and Gas Conservation Commission
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