

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. 180400323  
FORMATIONS, WATTENBERG FIELD, WELD )  
COUNTY, COLORADO ) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 1 North, Range 68 West, 6<sup>th</sup> P.M.  
Section 19: All  
Section 30: All  
Section 31: N $\frac{1}{2}$ ; N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$

APPLICATION

On March 1, 2018, Crestone Peak Resources Operating LLC (Operator No. 10633) ("Crestone Peak" or "Applicant"), filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Establish an approximate 1,680-acre drilling and spacing unit for Sections 19 and 30 and the N $\frac{1}{2}$ , N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$ , of Section 31, Township 1 North, Range 68 West, 6<sup>th</sup> P.M., Colorado, and approve up to 36 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations.
- 2) Provide that the productive interval of any horizontal well shall be no closer than 460 feet from the northern, eastern and western boundaries of the unit (regardless of lease lines within the unit), no closer than 150 feet from the southern boundary of the unit (regardless of lease lines within the unit), and not less than 150 feet from the productive interval of another well within the unit, unless an exception is granted by the Director.
- 3) Approve up to two new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.
- 4) Provide that all horizontal wells will be drilled in a north-south orientation.
- 5) Find that the approximate 1,680-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 Niobrara and Codell Formations in the Application Lands.
- 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")

- 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 within the Greater Wattenberg Area ("GWA") and thus are subject to Rule 318A.
- On October 31, 2017, the Commission entered Order No. 407-2209 which, among other things, established an approximate 1,000-acre drilling and spacing unit for Section 31: N½, N½N½S½, Section 32: N½, N½N½S½ and Section 33: NW¼, N½N½SW¼, Township 1 North, Range 68 West, 6th P.M., and approved a total of up to 12 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, providing that the productive interval of the wellbore shall be no closer than 150 feet from the productive interval of any other wellbore producing from the Niobrara and Codell Formations, and no closer than 460 feet from the northern, southern, and western unit boundaries and 150 feet from the eastern unit boundary, unless an exception is granted by the Director, providing that the wells will be drilled from no more than one well pad within the unit or at legal location on adjacent lands, unless an exception is granted by the Director, and further providing that all horizontal wells shall be drilled in an east-west orientation. Concurrent with the filing of Crestone's Application, Extraction Oil and Gas, Inc. will be filing an application for the April 20 – May 1, 2018 hearing to amend Order No. 407-2209 to remove any portion of Section 31, Township 1 North, Range 68 West, 6<sup>th</sup> P.M. from the drilling and spacing unit.

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  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203  
Website: <http://cogcc.state.co.us>  
Phone: (303) 894-2100  
Fax: (303) 894-2109

Attorneys for Applicant:  
Jamie L. Jost  
Kelsey H. Wasylenky  
Jost Energy Law, P.C.  
1401 17<sup>th</sup> Street, Suite 370  
Denver, Colorado 80202  
(720) 446-5620  
[jjost@jostenergylaw.com](mailto:jjost@jostenergylaw.com)  
[kwasylenky@jostenergylaw.com](mailto:kwasylenky@jostenergylaw.com)