

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. 180400344  
FORMATIONS, WATTENBERG FIELD, WELD )  
COUNTY, COLORADO ) TYPE: POOLING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 4 North, Range 63 West, 6<sup>th</sup> P.M.

Section 10: W $\frac{1}{2}$

Section 15: W $\frac{1}{2}$

APPLICATION

On March 1, 2018, Confluence DJ LLC (Operator No. 10518) ("Confluence" or "Applicant"), filed a verified application pursuant to §34-60-116, C.R.S. for an order to:

1) Pool all interests, including but not limited to any non-consenting interests and any party failing to fulfill its election, in the approximate 640-acre drilling and spacing unit established by Order No. 407-2308 for the W $\frac{1}{2}$  of Sections 10 and 15, Township 4 North, Range 63 West, 6<sup>th</sup> P.M., for the development and operation of the Niobrara and Codell Formations.

2) Provide that the Commission's pooling order is made effective as of the earlier of the date of the Application, or the date that any of the costs specified in § 34-60-116(7)(b), C.R.S., are first incurred for the drilling of the 70 Ranch 10-5-1L, 70 Ranch 10-5-3L, 70 Ranch 10-6-2L, 70 Ranch 10-6-4L, 70 Ranch 10-7-1L, 70 Ranch 10-7-3L, 70 Ranch 10-8-2L or the 70 Ranch 10-8-4L (the "Wells") in the approximate 640-acre drilling and spacing unit established for the Application Lands to the Niobrara or Codell Formations.

3) Provide that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Wells are pooled by operation of statute, pursuant to § 34-60-116(6) and (7), C.R.S., and made subject to the cost recovery provisions thereof with respect to any horizontal well drilled to develop the Niobrara and Codell Formations on the Application Lands.

4) For such other findings and orders as the Commission may deem proper or advisable in the premises.

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 December 12, 2011, the Commission entered Order Nos. 407-528 and 535-103, which, among other things, established 51 approximate 640-acre drilling and spacing units, including Section 10 of the Application Lands, and approved up to two horizontal wells within the unit, for production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore for the permitted well to be no closer than 460 feet from the unit boundaries.
- On June 6, 2016, the Commission entered Order No. 407-1740 which, among other things, modified Order No. 407-528 to include the Codell Formation and approved an additional 18 horizontal wells, for a total of up to 20 horizontal wells, within the existing approximate 640-acre drilling and spacing unit established by Order No. 407-528 for Section 10 of the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations.
- On January 29, 2018, the Commission entered Order No. 407-2308 which, among other things: 1) vacated an approximate 640-acre drilling and spacing unit established by Order Nos. 407-528 and 535-103 for Section 10, Township 4 North, Range 63 West, 6<sup>th</sup> P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation; 2) vacated Order No. 407-1740 as to Section 10, Township 4 North, Range 63 West, 6<sup>th</sup> P.M.; 3) established an approximate 640-acre drilling and spacing units for the Application Lands, and approved a total of up to 12 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations, with nine horizontal wells to be drilled from the Niobrara Formation and three horizontal wells to be drilled from the Codell Formation; 4) providing that the wellbores of any horizontal wells may enter the Codell and Niobrara Formations anywhere within the unit, or on adjacent lands, subject to Rule 318A, unless an exception is granted by the Director; 5) providing that the productive interval of any horizontal well shall be no closer than 460 feet from the boundaries of 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; and 6) providing that the wells shall be drilled on no more than one well pad within the unit subject to Rule 318A or on adjacent lands, 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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