

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

IN THE MATTER OF THE PROMULGATION AND ) CAUSE NO. 421  
ESTABLISHMENT OF FIELD RULES TO GOVERN )  
OPERATIONS FOR THE NIOBRARA, FORT HAYS, ) DOCKET NO. 180700565  
CODELL, AND CARLILE FORMATIONS, HEREFORD )  
FIELD, WELD COUNTY, COLORADO ) TYPE: SPACING  
)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 12 North, Range 63 West, 6<sup>th</sup> P.M.

Section 24: All (that portion lying within the State of Colorado)

Section 25: All

APPLICATION

On May 31, 2018 (Amended on June 22, 2018), HighPoint Operating Corporation (Operator No. 10071) ("HighPoint" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Vacate Order No. 421-16 in its entirety;
- 2) Vacate the 1,280-acre drilling and spacing unit established by Order No. 421-57 for Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation;
- 3) Vacate Order No. 421-64 as it relates to Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation;
- 4) Vacate Order No. 421-77 as it relates to Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Codell Formation;
- 5) Maintain Order No. 421-80 for production from the Fox Creek 504-2524H well (API No. 05-123-41612), for the development and operation of the Codell Formation;
- 6) Vacate Order No. 421-84 as it relates to Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Niobrara Formation;
- 7) Vacate Order No. 421-93 as it relates to Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production from the Niobrara Formation;
- 8) Maintain the 640-acre drilling and spacing unit established by Order No. 421-1 for Section 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., solely for the purposes of payment of proceeds from the Fox Creek #2-25H (API No. 05-123-31400-00) and its side-track (API No.

05-123-31400-01) only until the date of completion of the first new horizontal well in the Niobrara Formation on the Application Lands, at which point the Fox Creek #2-25H will allocate to the new 1,280-acre unit established for the Application Lands, and Order No. 421-1 will be vacated for Section 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M.;

9) Establish an approximate 1,280-acre drilling and spacing unit for Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M. for production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations and approving up to 15 new horizontal wells, for a total of 17 horizontal wells, in the approximate 1,280-acre unit for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations;

10) Provide that the Fox Creek #504-2524H Well (API No. 05-123-41612) allocate to the new proposed 1,280-acre unit for the Application Lands as one of the requested 16 horizontal wells within the Application Lands, and continue to be pooled pursuant to Order No. 421-80;

11) Provide that the productive interval of any horizontal well in the unit shall be no closer than 150 feet from the boundaries of the unit (regardless of the lease lines within the unit) for production from the Niobrara and Ft. Hays Formations, 300 feet from the boundaries of the unit (regardless of the lease lines within the unit) for production from the Codell and Carlile Formations, and the treated interval of all horizontal wells shall be no closer than 150 feet from the treated interval of any other well within the unit, and authorizing a total of ~~five~~ four well pads in the unit, unless an exception is granted by the Director;

12) Finding that an approximate 1,280-acre drilling and spacing unit for the development of the Niobrara, Fort Hays, Codell, and Carlile Formations on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara, Fort Hays, Codell, and Carlile Formations on the Application Lands;

13) 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://coqcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- On February 22, 2010 (corrected January 19, 2012), the Commission entered into Order No. 421-1 which, among other things, established two approximate 640-acre drilling and spacing units for Sections 24 and 25, Township 12 North, Range 62 West, 6<sup>th</sup> P.M., and approved one horizontal well within each unit, for the development and operation of the Niobrara Formation, with the productive interval of the wellbore to be located no closer than 600 feet from the unit boundaries, without exception being granted by the Director.
- On January 7, 2013, the Commission entered Order No. 421-16 which, among other things, vacated two approximate 640-acre drilling and spacing units established by Order No. 421-1 for Sections 23 and 24, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., and established an approximate 1,232-acre stand-up exploratory drilling and spacing unit for Sections 23 and 24, Township 12 North, Range 63 West 6<sup>th</sup> P.M., and approved up to ten wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. For purposes of administrative clean-up, Applicant

requests that Order No. 421-16 be vacated in its entirety.

- On January 26, 2015 (amended April 13, 2015), the Commission entered Order No. 421-57 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., and approved one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation.
- On July 20, 2015, the Commission entered Order No. 421-64 which, among other things, modified Order No. 421-57 to allow for a total of up to six horizontal wells within the approximate 1,280-acre drilling and spacing unit established for Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation, 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 December 12, 2016, the Commission entered Order No. 421-77 which, among other things, modified Order Nos. 421-57 and 421-64 to allow the productive interval of any permitted well to be located no closer than 300 feet from the unit boundaries of the approximate 1,280-acre drilling and spacing unit established for Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., for the production of the oil, gas, and associated hydrocarbons from the Codell Formation.
- On January 30, 2017, the Commission entered Order No. 421-80 which, among other things, pooled all interests within an approximate 1,280-acre drilling and spacing unit established for Sections 24 and 25, Township 12 North, Range 63 West, 6<sup>th</sup> P.M., and subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., for the drilling of the Fox Creek 504-2524H Well (API No. 05-123-41612), for the development and operation of the Codell Formation.
- On January 30, 2017, the Commission entered Order No. 421-84 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Sections 24 and 25, Township 12 North, Range 62 West, 6<sup>th</sup> P.M., providing that the existing 640-acre units for the production of the existing wells shall be maintained only until the date of first completion of the new horizontal well into the unit, and approved up to eight new horizontal wells in the approximate 1,280-acre drilling and spacing unit, providing that the productive interval of each wellbore shall be located no closer than 300 feet from the boundaries of the unit and 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, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On September 11, 2017, the Commission entered Order No. 421-93 which, among other things, approved an additional seven horizontal wells, for a total of 15 horizontal wells, in an approximate 1,280-acre drilling and spacing units established for the Application Lands, for the production of oil, gas and associated hydrocarbons from 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: July 30 – August 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 July 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 July 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: June 25, 2018

Colorado Oil and Gas Conservation  
Commission  
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