

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. 180700579
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 62 West, 6th P.M.
Section 31: All

Township 11 North, Range 62 West, 6th P.M.
Section 6: All

APPLICATION

On May 31, 2018 (amended 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. 421-1 as to the Application Lands except as set forth below;
- 2) Vacate Order No. 421-69 as it relates to the Application Lands for production from the Codell Formation;
- 3) Vacate Order No. 421-78 as it relates to the Application Lands for production from the Codell Formation;
- 4) Vacate Order No. 421-83 as it relates to the Application Lands for production from the Niobrara Formation;
- 5) Vacate Order No. 421-92 as it relates to the Application Lands for production from the Niobrara Formation;
- 6) Maintain the 640-acre drilling and spacing unit established by Order No. 421-1 for Section 31, Township 12 North, Range 62 West, 6th P.M., only for the purposes of payment of proceeds from the Elmer #8-31H Well (API No. 05-123-30584) only until the date of completion of the first new horizontal well in the Niobrara Formation on the Application Lands, at which point the Elmer #8-31H Well will allocate to the new 1,280-acre unit established for the Application Lands;

7) Maintain the 640-acre drilling and spacing unit established by Order No. 421-1 for Section 6, Township 11 North, Range 62 West, 6th P.M., only for the purposes of payment of proceeds from the Garden Creek #2-06H Well (API No. 05-123-31264) only until the date of completion of the first new horizontal well in the Niobrara Formation on the Application Lands, at which point the Garden Creek #2-06H Well will allocate to the new 1,280-acre unit established for the Application Lands;

8) Find that the Jake #2-01H Well shall continue to allocate to the 640-acre unit established by Order No. 421-1, pursuant to Order No. 421-82, and that the Jake #2-01H Well shall not be included as one of the 18 requested horizontal wells within the Application Lands;

9) Establish an approximate 1,280-acre drilling and spacing unit for the Application Land for production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations and approve 16 new horizontal wells, for a total of 18 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 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 Fort 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 approve a total of five well pads in the unit, unless an exception is granted by the Director;

11) Find 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.

12) 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 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 the Application Lands 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 July 20, 2015, the Commission entered Order No. 421-69 which, among other things, allowed for a total of up to six horizontal wells within the approximate 1,280-acre drilling and spacing unit established for the Application Lands, 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. 421-78 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 the Application Lands for the production of the oil, gas, and associated hydrocarbons from the Codell Formation.
- On January 30, 2017, the Commission entered Order No. 421-83 which, among other things, established an approximate 1,280-acre drilling and spacing unit for the Application Lands 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. 421-92 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
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 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620
jjost@jostenergylaw.com
kwasylenky@jostenergylaw.com