

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 |) | DOCKET NO. 181000706 |
| AND CODELL 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 65 West, 6th P.M.

Section 2: All

Section 11: N½

APPLICATION

On July 25, 2018, Kerr-McGee Oil & Gas Onshore LP (Operator No. 47120) ("Kerr-McGee" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Establish an approximate 947.16-acre drilling and spacing unit for the Application Lands;
- 2) Approve up to 17 horizontal wells within the unit, with the treated interval of the wells within the unit located no closer than 460 feet from the unit boundary, and no closer than 150 feet from the treated interval of any other wellbore producing from the same common source of supply;
- 3) Require that the permitted wells within the unit be drilled and operated from no more than four surface locations within the unit, or at legal locations on adjacent lands, without exception being granted by the Director.

APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended on August 8, 2011 to, among other things, address the drilling of horizontal wells. Rule 318A requires that a horizontal wellbore spacing unit must include any governmental quarter-quarter section that is located less than 460' from the completed interval of the wellbore lateral, and allows for overlapping wellbore units. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater

Wattenberg Area. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

- On February 19, 1992 (amended August 20, 1993), the Commission entered Order No. 407-87 which, among other things, established 80-acre drilling and spacing units for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formations, the Codell Formation, and the Niobrara Formation, underlying certain lands including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.
- On November 16, 1992, the Commission entered Order No. 499-15, which established 320-acre drilling and spacing units for vertical wells drilled and completed or recompleted in the Dakota, "J" Sand, Codell, Niobrara, Sussex and Shannon Formations, where the production is commingled or dually completed with the Dakota and "J" Sand Formations underlying a Codell-Niobrara Spaced Area.
- On April 30, 2018, the Commission entered Order No. 407-2462, which, among other things, pooled all interests in an approximate 720-acre 318A designated horizontal wellbore spacing unit established for the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 1 and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 2, Township 1 North, Range 65 West, 6th P.M., and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 25, the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 26, the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 35, and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 36, Township 2 North, Range 65 West, 6th P.M., and approved cost-recovery under Section 34-60-116(7)(b)(II), C.R.S., against any nonconsenting owners in the Zelda 25-1HZ Well, for the production of oil, gas, and associated hydrocarbons from the 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: October 29-30, 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 three 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 October 15, 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 October 15, 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: September 24, 2018

Colorado Oil and Gas Conservation Commission
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