

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. 181000744
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 2 North, Range 68 West, 6th P.M.
Section 19: E½
Section 30: E½
Section 31: E½

APPLICATION

On August 29, 2018, amended on September 24, 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 960-acre drilling and spacing unit for the E½ of Sections 19, 30 and 31, Township 2 North, Range 68 West, 6th P.M., Weld County, Colorado, and to allow up to eight horizontal wells in the approximate 960-acre drilling and spacing unit for the development and operation of the Niobrara and Codell Formations in the unit; and
- 2) Provide that the treated interval of any horizontal well shall be no closer than 460 feet from the boundaries of the unit (regardless of lease lines within the unit), and not less than 150 feet from the treated interval of another well within the unit, unless an exception is granted by the Director; and
- 3) Authorize one new well pad within the unit, or adjacent thereto, unless an exception is granted by the Director; and
- 4) Vacate 12 approved wellbore spacing units within the Application Lands, upon establishment of the proposed drilling and spacing unit; and
- 5) Finding that the approximate 960-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 Codell and Niobrara Formations in the Application Lands; and
- 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, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was amended to, among other things, address drilling of horizontal wells. The August 8, 2011 amendment did not prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area. The Application Lands are within the Greater Wattenberg Area and are subject to the 460' subsurface setback for the Codell and Niobrara Formations.
- 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 vertical and/or directional wells for the production of oil and/or gas from the Codell-Niobrara Formations. The Application Lands are subject to Order No. 407-87 as it applies to the existing vertical and/or directional well development and operation of the Codell and Niobrara Formations on the Application Lands.
- On September 19, 2011, the Commission entered Order Nos. 407-485 & 232-295 which, among other things, (1) pooled all nonconsenting interests in an approximate 160-acre wellbore spacing unit designated for the E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 30, Township 2 North, Range 68 West, 6th P.M. (to accommodate the Bryant #23-30 Well), for the development and operation of the Codell and Niobrara Formations; and (2) pooled all nonconsenting interests in an approximate 320-acre wellbore spacing unit designated for the S $\frac{1}{2}$ of said Section 30 (to accommodate the Well), for the development and operation of the "J" Sand Formation. Order Nos. 407-485 & 232-295 are wellbore specific and do not affect this Application.

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 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 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 Price, Secretary

Dated: September 24, 2018

Colorado Oil and Gas Conservation Commission
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