

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 535
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA, FORT HAYS,) DOCKET NO. 181000811
CODELL, AND CARLILE FORMATIONS, UNNAMED)
FIELD, WELD COUNTY, COLORADO) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Drilling and Spacing Unit (“DSU”) No. 1

Township 10 North, Range 66 West, 6th P.M.

Section 9: All

Section 16: All

DSU No. 2

Township 10 North, Range 66 West, 6th P.M.

Section 8: All

Section 17: All

DSU No. 3

Township 10 North Range 66 West, 6th P.M.

Section 7: All

Section 18: All

APPLICATION

On August 30, 2018, Edge Energy II, LLC (Operator No. 10671) (“Edge” or “Applicant”) filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Vacate approximate 640-acre drilling and spacing units established by Order No. 535-2 for Sections 8, 9, 16, and 17, Township 10 North, Range 66 West, 6th P.M.
- 2) Vacate Order No. 535-678.
- 3) Establish two approximate 1,280-acre drilling and spacing units for DSU Nos. 1 and 2 of the Application Lands, and approve up to 12 horizontal wells within each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations, with the productive interval of the horizontal wells within each unit located no closer than 150 feet from the productive interval of any other horizontal wellbore within the same common source of supply, and no closer than 300 feet from the respective unit boundary, without exception being granted by the Director

4) Modify an approximate 1,280-acre drilling and spacing unit established by Order No. 535-599, and modified by Order No. 535-699, for DSU No. 3 of the Application Lands, otherwise described as Sections 8 and 17, Township 10 North, Range 66 West, 6th P.M. to include the Fort Hays and Carlile Formations, and to approve a total of up to 12 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations, with the productive interval of the horizontal wells within the unit located no closer than 150 feet from the productive interval of any other horizontal wellbore within the same common source of supply, and no closer than 300 feet from the respective unit boundary, without exception being granted by the Director

5) Require that the wells be drilled from no more than four surface locations within each unit or on adjacent lands.

APPLICABLE ORDERS AND RULES

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

- Rule 318.a. provides that for unspaced lands, a well drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.
- On August 8, 2011, the Commission entered Order No. 535-2, which established 145 approximate 640-acre drilling and spacing units for certain lands in Townships 8, 9, 10, and 11 North, Ranges 65, 66, and 67 West, 6th P.M., and approved one horizontal well in each of the Niobrara and Codell Formations within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations, with the treated interval of the wellbore for the permitted well being no closer than 600 feet from the unit boundaries, and no closer than 1200 feet from the first well within the unit, without exception being granted by the Director.
- On June 27, 2011, the Commission entered Order No. 535-30, which pooled all interests in an approximate 640-acre drilling and spacing unit for Section 18 Township 10 North, Range 66 West, 6th P.M., and approved cost-recovery pursuant to Section 34-60-116, C.R.S., against any nonconsenting owners in the Sheldon 10-66 #18-1H Well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On December 15, 2014 the Commission entered Order No. 535-599, which vacated two approximate 640-acre drilling and spacing units established by Order No. 535-2 for Section 7 and Section 18, Township 10 North, Range 66 West, 6th P.M., and established an approximate 1,280-acre drilling and spacing unit covering Sections 7 and 18, Township 10 North, Range 66 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Codell Formation, and approved a total of up to 4 horizontal wells within the unit, with the productive interval of each wellbore being no closer than 300 feet from the unit boundaries, and no closer than 600 feet from the productive interval of any other wellbore producing from the Codell Formation, unless an exception is granted by the Director.
- On July 20, 2015, the Commission entered Order No. 535-678, which pooled all interests in an approximate 1,280-acre drilling and spacing unit for Sections 7 and 18 Township 10 North, Range 66 West, 6th P.M., and approved cost-recovery pursuant to Section 34-60-

116, C.R.S., against any nonconsenting owners in the Seitz #1 Well, Seitz #2 Well, Seitz #3 Well, and Seitz #4 Well, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

- On September 14, 2015, the Commission entered Order No. 535-699, which modified an approximate 1,280-acre drilling and spacing unit established by Order No. 535-599 covering Sections 7 and 18, Township 10 North, Range 66 West, 6th P.M. to include the Niobrara Formation, and to approve a total of up to eight horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations, with the productive interval of each wellbore located no closer than 600 feet from the productive interval of any other wellbore producing from the Niobrara or Codell Formations, and no closer than 600 feet from the east and west unit boundaries and 300 feet from the north and south unit boundaries, 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: 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 20, 2018

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