

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 139
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE WILLIAMS FORK AND) DOCKET NO. 181200900
ILES FORMATIONS, RULISON FIELD, GARFIELD)
COUNTY, COLORADO) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 6 South, Range 94 West, 6th P.M.

Section 3: Lot 4 (55.12 acres), SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 4: Lot 1 (55.01 acres), SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

APPLICATION

On September 13, 2018, Laramie Energy, LLC (Operator No. 10433) ("Laramie" or "Applicant") filed a verified application pursuant to § 34-60-116, C.R.S., for an order to:

- 1) Vacate Order No. 139-60 as to the Application Lands which, among other things, approved the equivalent of one well per 10 acres and established 100-foot setbacks for the production of gas from the Williams Fork Formation in certain lands, including portions of Section 3, Township 6 South, Rang 94 West, 6th P.M.
- 2) Establish an approximate 350.13-acre drilling and spacing unit for the Application Lands for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group, and providing that the equivalent of 10-acre density be ordered for all wells producing from the Williams Fork and Iles Formations of the Mesaverde Group, unless an exception is granted by the Director.
- 3) Require that all wells within the drilling and spacing unit be located no closer than 100 feet from the northern and southern boundaries and 600 feet from the eastern and western boundaries, unless an exception is granted by the Director.
- 4) Require that wells producing from the Williams Fork and Iles Formations of the Mesaverde Group within the Application Lands be drilled from no more than one well pad per quarter-quarter section within the Application Lands, unless an exception is granted by the Director.

APPLICABLE ORDERS AND RULES

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

- Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located

not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply.

- On December 6, 2005, the Commission issued Order No. 139-52. Order No. 139-52 removed the lands in Township 6 South, Range 94 West, 6th P.M., Section 3, Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (All) from Order Nos. 139-14, 139-28 and 139-40 for the production of gas from the Mesaverde Group and placed them under the provisions of the Rules and Regulations of the Commission, including Rule 318.
- On April 24, 2006, the Commission issued Order No. 139-60 applicable to specified tracts within 37 sections in eight townships, including the following lands:

Township 6 South, Range 94 West, 6th P.M.

Section 3: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$

Order No. 139-60 ordered the equivalent of 10-acre density for all future Williams Fork Formation wells, with wells to be located downhole no closer than 100 feet from the outside boundaries of the unit or leasehold boundaries unless such unit abuts or corners lands not subject to 10-acre density, in which event the wells shall be drilled downhole no closer than 200 feet from the unit boundary or leasehold boundary absent an exception granted by the Commission.

- On October 29, 2018, the Commission issued Order No. 1-229, a Basin-Wide Density and Setback Order for portions of the Piceance Basin, including the following lands:

Township 6 South, Range 94 West, 6th P.M.

Section 3: Lot 4 (55.12 acres), SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 4: Lot 1 (55.01 acres), SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

Order No. 1-229 ordered that all wells within the lands described in the order that are permitted after October 29, 2018, to develop the Williams Fork Formation and Iles Formation shall be drilled with a downhole density of one well per ten acres from no more than one multi-well pad located on any given quarter-quarter section (or lot, tract, or parcel equivalent thereto). Order No. 1-229 also ordered that the completed interval of all Williams Fork and Iles Formation wells in the lands described in the order that are permitted after October 29, 2018, be completed no closer than 100 feet from the north and south boundaries and 600 feet from the east or west boundaries of the applicable unit, or if there is no applicable unit, the lease lines or boundaries of the Application Lands.

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: December 17-18, 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 December 3, 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 December 3, 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: November 9, 2018

Colorado Oil and Gas Conservation Commission
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