



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 CODELL AND NIOBRARA) DOCKET NO. 1407-AW-19
FORMATIONS, UNNAMED FIELD, WELD COUNTY,)
COLORADO) ORDER NO. 535-507

REPORT OF THE COMMISSION

The Commission heard this matter on July 28, 2014, at the Weld County Administration Building - Events Center, 1150 "O" Street, Greeley, CO, upon application for an order to modify Order Nos. 535-314 and 535-471 as they apply to Sections 1, 2, 3, 10, 11, and 12, Township 10 North, Range 58 West, 6th P.M. to include the Codell Formation, and approve up to 32 horizontal wells, within each approximate 960-acre drilling and spacing unit for Sections 1, 2, 3, 10, 11, and 12, Township 10 North, Range 58 West, 6th P.M. for the production of oil, gas, and associated hydrocarbons of the Codell and Niobrara Formations.

FINDINGS

The Commission finds as follows:

1. Whiting Oil and Gas Corporation ("Whiting" or "Applicant"), as applicant herein, is an interested party in the subject matter of the above-referenced hearing.
2. Due notice of the time, place and purpose of the hearing has been given in all respects as required by law.
3. The Commission has jurisdiction over the subject matter embraced in said Notice, and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order pursuant to the Oil and Gas Conservation Act.
4. 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. Sections 1, 2, 3, 10, 11, and 12, Township 10 North, Range 58 West, 6th P.M. are subject to Rule 318.a. for the Codell Formation.
5. On March 5, 2012, the Commission entered Order No. 535-150 which established three approximate 960-acre drilling and spacing units and approved four horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 2 and the N½ of Section 11, Township 10 North, 58 West, 6th P.M. are subject to this Order for the Niobrara Formation.
6. On July 9, 2012, the Commission entered Order No. 535-179 which established six approximate 960-acre drilling and spacing units and approved four horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 1 and the N½ of Section 12, Township 10 North, Range 58 West, 6th P.M. are subject to this Order for the Niobrara Formation.

7. On October 1, 2012, the Commission entered Order No. 535-204 which established six approximate 960-acre drilling and spacing units and approved up to four horizontal wells in each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 3 and the N½ of Section 10, Township 10 North, 58 West, 6th P.M. are subject to this Order for the Niobrara Formation.

8. On March 25, 2013, the Commission entered Order No. 535-296 which established 21 approximate 640 to 960-acre drilling and spacing units and approving up to a total of eight horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Sections 1, 2 and the N½ of Sections 11 and 12, Township 10 North, Range 58 West, 6th P.M. are subject to this Order for the Niobrara Formation.

9. On May 6, 2013, the Commission entered Order No. 535-314 which approved up to a total of 16 horizontal wells within each of 21 approximate 640 to 960-acre drilling and spacing units, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Sections 1, 2 and the N½ of Sections 11 and 12, Township 10 North, Range 58 West, 6th P.M. are subject to this Order for the Niobrara Formation.

10. On January 27, 2014, the Commission entered Order No. 535-464 which pooled all interests within an approximate 960-acre drilling and spacing unit, to accommodate the drilling of the Razor 11-0241H Well (API No. 05-123-36057) for the development and operation of the Niobrara Formation. Sections 2 and 11, Township 10 North, Range 58 West, 6th P.M. are subject to this Order for the Niobrara Formation.

11. On January 27, 2014, the Commission entered Order No. 535-465, which pooled all interests within an approximate 960-acre drilling and spacing unit established for Sections 1 and 12, Township 10 North, Range 58 West, 6th P.M., to accommodate the drilling of the Razor 12-0141H Well (API No. 05-123-36052), for the development and operation of the Niobrara Formation.

12. On April 28, 2014, the Commission entered Order No. 535-471 which established five approximate 960-acre drilling and spacing units and approving up to a total of 16 horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 3 and the N½ of Section 10, Township 10 North, Range 58 West, 6th P.M. are subject to this Order for the Niobrara Formation.

13. On May 29, 2014, Whiting, by its attorneys, filed a verified application ("Application") pursuant to §34-60-116, C.R.S. for an order to modify Order Nos. 535-314 and 535-471 as they apply to Sections 1, 2, 3, 10, 11, and 12, Township 10 North, Range 58 West, 6th P.M. to include the Codell Formation, approve an additional 16 horizontal wells for a total of up to 32 horizontal wells within each approximate 960-acre drilling and spacing unit established by Order No. 535-178 for the below-described lands ("Application Lands"), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the productive interval of the wellbore to be located no closer than 100 feet from the productive interval of any other wellbore producing from the Niobrara and/or Codell Formations, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary. If the

Commission has not at the time of the drilling permit application granted to owners of adjacent or cornering lands the right to locate the productive interval of the wellbore no closer than 100 feet from a unit boundary, then the productive interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands, without exception being granted by the Director:

Township 10 North, Range 58 West, 6th P.M.

Section 1: All
Section 12: N½

Township 10 North, Range 58 West, 6th P.M.

Section 2: All
Section 11: N½

Township 10 North, Range 58 West, 6th P.M.

Section 3: All
Section 10: N½

Applicant also requests that the proposed wells be located on a common or existing well pad within the unit or from no more than eight well pads within the unit.

14. On July 15, 2014, Whiting, by its attorneys, filed with the Commission a written request to approve the Application based on the merits of the verified Application and the supporting exhibits. Sworn written testimony and exhibits were submitted in support of the Application.

15. On July 21, 2014, the Bureau of Land Management ("BLM") and Whiting reached an agreement wherein, if the BLM has not previously approved a Communitization Agreement ("CA") on the Application Lands, Whiting agrees to submit a CA to the BLM within 90 days of the spud of the first well, or within 60 days of the date of this Order if there is an existing well in the spaced formation, whichever applies first, in any drilling and spacing unit that contains leased or unleased Federal minerals. The Application Lands contain Federal minerals managed by the BLM.

16. Land testimony and exhibits submitted in support of the Application by Scott McDaniel, Regional Land Manager for Whiting, showed that Whiting owns a substantial leasehold interest and is an owner with the right to drill wells in the Application Lands.

17. Geologic testimony and exhibits submitted in support of the Application by Mark K. Odegard, Senior Geologist for Whiting, showed the Niobrara and Codell Formations are present and uniform throughout the Application Lands. The Codell and Niobrara Formations are present under the Application Lands and are a common source of supply. Testimony further showed that the Niobrara Formation has an average thickness of 350 feet across the Application Lands.

18. Engineering testimony and exhibits submitted in support of the Application by Donald F. Koenig, Senior Reservoir Engineer for Whiting, showed that the estimated drainage area for Niobrara Formation horizontal wells is 115 acres. Testimony concluded the drilling, completion, and production of horizontal Niobrara and Codell wells requested in the Application for the Application Lands, will increase recovery from the reservoir and thereby prevent waste,

will protect correlative rights, and can be done economically and efficiently.

19. The above-referenced testimony and exhibits show that granting the Application will allow more efficient reservoir drainage, will prevent waste, will assure a greater ultimate recovery of hydrocarbons, and will not violate correlative rights.

20. Whiting agreed to be bound by oral order of the Commission.

21. Based on the facts stated in the verified Application, having received no protests, and based on the Hearing Officer review of the Application under Rule 511, the Commission should enter an order to modify Order Nos. 535-314 and 535-471 as they apply to Sections 1, 2, 3, 10, 11, and 12, Township 10 North, Range 58 West, 6th P.M. to include the Codell Formation, and approve up to 32 horizontal wells, within each approximate 960-acre drilling and spacing unit established for the Application Lands, for the production of oil, gas, and associated hydrocarbons of the Codell and Niobrara Formations.

ORDER

IT IS HEREBY ORDERED:

1. Order No. 535-314 and 535-471 as they apply to Sections 1, 2, 3, 10, 11, and 12, Township 10 North, Range 58 West, 6th P.M. are hereby modified to include the Codell Formation.

2. Up to a total of 32 horizontal wells within each approximate 960-acre drilling and spacing unit established for the below-described lands, are hereby approved, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations:

Township 10 North, Range 58 West, 6th P.M.

Section 1: All
Section 12: N½

Township 10 North, Range 58 West, 6th P.M.

Section 2: All
Section 11: N½

Township 10 North, Range 58 West, 6th P.M.

Section 3: All
Section 10: N½

3. The productive interval of the wellbores shall be located no closer than 100 feet from any other wellbore producing from the Niobrara and/or Codell Formations, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the productive interval of the wellbore no closer than 100 feet from a unit boundary. If the Commission has not at the time of the drilling permit application granted to owners of adjacent or cornering lands the right to locate the productive interval of the wellbore no closer than 100 feet from a unit boundary, then the productive interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands, without exception being granted by the Director.

4. The proposed wells shall be located on a common or existing well pad within the unit or from no more than eight well pads within the unit.

5. If the BLM has not previously approved a Communitization Agreement ("CA") on the Application Lands, Whiting shall submit a CA to the BLM within 90 days of the spud of the first well, or within 60 days of the date of this Order if there is an existing well completed in the spaced formation, whichever applies first, in any drilling and spacing unit that contains Federal minerals managed by the BLM.

IT IS FURTHER ORDERED:

1. The provisions contained in the above order shall become effective immediately.

2. The Commission expressly reserves its right, after notice and hearing, to alter, amend or repeal any and/or all of the above orders.

3. Under the State Administrative Procedure Act the Commission considers this Order to be final agency action for purposes of judicial review within 35 days after the date this Order is mailed by the Commission.

4. An application for reconsideration by the Commission of this Order is not required prior to the filing for judicial review.

ENTERED this 13th day of August, 2014, as of July 28, 2014.

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

By 

Robert J. Frick, Secretary