

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 FORMATION,)	DOCKET NO. 1406-SP-2062
UNNAMED FIELD, WELD COUNTY, COLORADO)	
)	ORDER NO. 535-494

REPORT OF THE COMMISSION

The Commission heard this matter on June 17, 2014, at the Rifle Branch Library, Garfield County Public Library District, 207 East Avenue, Rifle, Colorado, upon application for an order to establish an approximate 640-acre drilling and spacing unit for Section 33, Township 12 North, Range 66 West, 6th P.M., and approve up to four horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

FINDINGS

The Commission finds as follows:

1. Cirque Resources LP ("Cirque" 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 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. Section 33, Township 12 North, Range 66 West, 6th P.M. is subject to Rule 318.a. for the Codell Formation.

5. On April 17, 2014, Cirque, by its attorneys, filed with the Commission a verified application ("Application") for an order to establish an approximate 640-acre drilling and spacing unit for the below-described lands ("Application Lands"), and approve up to four horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the productive interval of the wellbore to be located no closer than 300 feet from the unit boundaries, and no closer than 660 feet from the productive interval of any other wellbore producing from the Codell Formation, without exception being granted by the Director:

Township 12 North, Range 66 West, 6th P.M.
Section 33: All

6. On June 3, 2014, Cirque, 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.

7. Land testimony and exhibits submitted in support of the Application by William R. Givan, Regional Land Manager for Cirque, showed that Cirque owns substantial leasehold interests in the Application Lands.

8. Geologic testimony and exhibits submitted in support of the Application by Robert H. Sterling, Senior Geologist for Cirque, showed that the Codell Formation underlies the entirety of the Application Lands and ranges from approximately 18 to 19 feet thick. Further testimony showed the Codell Formation is a series of siltstones and sandstones deposited in the Western Interior Seaway and is a common source of supply.

9. Engineering testimony and exhibits submitted in support of the Application by Barry Voigt, Reservoir Engineer for Cirque, showed that drilling and completing horizontal wells within the Codell Formation underlying the Application Lands is the most efficient and economic method of developing the resource. Further testimony revealed the predicted well drainage area is about 127 acres for 640-acre laterals and would accommodate up to four horizontal Codell wells, while protecting correlative rights of adjacent mineral owners.

10. 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.

11. Cirque agrees to be bound by oral order of the Commission.

12. 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 establishing an approximate 640-acre drilling and spacing unit for Section 33, Township 12 North, Range 66 West, 6th P.M., and approve up to four horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

ORDER

IT IS HEREBY ORDERED:

1. An approximate 640-acre drilling and spacing unit for the below-described lands, is hereby established, and a total of up to four horizontal wells within the unit, are hereby approved, for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the productive interval of the wellbore will be located no closer than 300 feet from the unit boundaries, and no closer than 660 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director:

Township 12 North, Range 66 West, 6th P.M.
Section 33: All

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 8th day of July, 2014, as of June 17, 2014..

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By: 

Robert J. Frick, Secretary