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

IN THE MATTER OF THE PROMULGATION ) CAUSE NO. 369  
AND ESTABLISHMENT OF FIELD RULES )  
TO GOVERN OPERATIONS FOR THE ) DOCKET NO. 150900498  
WILLIAMS FORK AND ILES FORMATIONS, )  
UNNAMED FIELD, MESA COUNTY, ) TYPE: SPACING  
COLORADO )

**AMENDED APPLICATION**

Piceance Energy, LLC (Operator Number 10433) ("Piceance"), through its attorneys, Bjork Lindley Little PC, respectfully submits this **AMENDED** Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") pursuant to C.R.S. § 34-60-116 for an order establishing an approximate ~~640~~ **480** acre drilling and spacing unit and establishing field rules for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations covering certain lands in Mesa County, Colorado. In support of its **AMENDED** Application, Piceance states as follows:

1. Piceance is a Delaware limited liability company duly organized and authorized to conduct business in the State of Colorado. Piceance is an operator in good standing with the Commission.

2. Piceance has standing as an owner to pursue this **AMENDED** Application because it owns oil and gas leasehold interests in the following lands in Mesa County, Colorado:

Township 9 South, Range 93 West of the 6th P.M.  
Section 20: All, SE $\frac{1}{4}$ , W $\frac{1}{2}$

(the "Application Lands"). The Application Lands comprise approximately ~~640~~ **480** acres. A reference map of the Application Lands is attached as Exhibit A **A-1**. Areas marked in yellow on Exhibit A **A-1** represent oil and gas leasehold in which Piceance owns an interest.

3. The records of the Commission reflect that no oil and gas wells are currently producing from the Application Lands and all previously producing oil and gas wells on the Application Lands have been abandoned. ~~A small portion of the Application Lands is within the Buzzard Creek Field, as defined by the Commission.~~

4. The mineral lands and leasehold in the NE $\frac{1}{4}$  of **SECTION 20** **BORDERING** the Application Lands are committed to the Buzzard Creek Federal Unit administered by the United States Bureau of Land Management. Piceance is the

operator of the Buzzard Creek Federal Unit. Piceance also is the owner of a federal oil and gas lease applicable to the SW¼ of the Application Lands.

5. The Application Lands are subject to several prior orders of the Commission.

6. Order No. 369-4 (also 1-124 and 399-4) effective February 25, 2008, approved the equivalent of one (1) well per 10-acre density for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations (including but not limited to the Rollins, Cozzette and Corcoran) in the SE¼ of the Application Lands.

7. Order No. 369-5 (also 1-127, 386-4, 399-5 and 429-10) effective September 22, 2008, approved the equivalent of one (1) well per 10-acre density for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations in the W½ of the Application Lands. In addition, Order No. 369-5 requires each well in the W½ of the Application Lands is to be drilled from no more than one well pad per quarter quarter section and to be located no closer than 100 feet from a unit boundary line, or 200 feet from a unit boundary line which abuts or corners lands not subject to 10-acre density, without exception being granted by the Director.

8. As to lands within the Buzzard Creek Federal Unit in the NE¼ of ~~the Application Lands~~ **SECTION 20**, Order No. 369-5 directed that all future permitted wells located in the Buzzard Creek Federal Unit be located no closer than 100 feet from the exterior unit boundary, or 200 feet from the exterior unit boundary abutting or cornering lands not subject to 10-acre density, without exception being granted by the Commission.

9. Order No. 369-8 (also 399-8) effective September 19, 2011, established exploratory drilling and spacing units which included the S½ of Section 20 of the Application Lands and other lands outside the Application Lands for the production of oil, gas and associated hydrocarbons from the Mancos, Niobrara, Frontier and Mowry Formations. Order No. 369-8 does not apply to this **AMENDED** Application because this **AMENDED** Application only seeks an order affecting production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations.

10. Order No. 369-11 (Corrected) effective May 6, 2013, established an approximate 160-acre drilling and spacing unit for the Williams Fork and Iles Formations consisting of the NW¼ of the Application Lands, with the treated interval of the wellbore to be located in accordance with the well location rules established by Order No. 369-5, without exception being granted by the Director.

11. In this **AMENDED** Application, Piceance asks the Commission to issue an order entering the following relief:

a. The Commission should vacate Orders Nos. 369-4, 369-5 and 369-11 insofar as they apply to the production of oil, gas and associated

hydrocarbons from the Williams Fork and Iles Formations in the Application Lands.

b. The Commission should order that the Application Lands be established as a single drilling and spacing unit consisting of ~~the~~ approximately ~~640~~ **480** acres within Section 20 for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations so that wells may be better located within the new proposed drilling and spacing unit.

c. The equivalent of one well per 10-acre density should be ordered for all wells producing from the Williams Fork and Iles Formations from within the Application Lands.

d. All wells producing from the Williams Fork and Iles Formations within the Application Lands, ~~including those wells producing from lands subject to the Buzzard Creek Federal Unit,~~ shall be drilled from no more than one well pad per quarter quarter section, **WITH A TOTAL OF NO MORE THAN SIX WELL PADS WITHIN THE UNIT**, and be located no closer than 100 feet from the exterior boundaries of the Application Lands, or 200 feet from the exterior boundaries of the Application Lands if the Application Lands abut or corner lands not subject to 10-acre density, without exception being granted by the Director.

12. The above-proposed drilling and spacing unit will allow efficient drainage of the Williams Fork and Iles Formations, prevent waste, not adversely affect correlative rights of any owner, and assure the greatest ultimate recovery of oil, gas and associated hydrocarbons. As already determined in Commission Order No. 369-5 and other orders applicable to nearby land, a drilling and spacing unit of this type may economically and efficiently drain the Williams Fork and Iles Formations in the proposed unit. Establishment of a ~~640~~ **480** acre drilling and spacing unit will permit the operator to better locate oil and gas wells within the proposed drilling and spacing unit.

13. Wells developed in accordance with the proposed order may be drilled and operated in a manner consistent with protection of the environment, wildlife, public health, safety and welfare.

14. Piceance shall comply with all state and federal rules and regulations applicable to these lands and minerals. Piceance also shall confer with the Bureau of Land Management concerning the proposed order and all operations relating to federal lands and minerals.

15. **A LIST OF THOSE PERSONS AND ENTITIES ENTITLED TO NOTICE UNDER COMMISSION RULES IS ATTACHED TO THIS AMENDED APPLICATION AS EXHIBIT B.** Within seven days of the filing of this **AMENDED** Application, all interested parties as defined in Commission Rules 503.e and 507.b shall be served with a copy of the **AMENDED** Application. A certificate attesting to service of the **AMENDED** Application together with a list of those person**S** and entities entitled to

notice under Commission rules shall be filed with the Commission within seven days of the filing of this **AMENDED** Application.

16. A verification attesting to the **AMENDED** Application is attached. A copy of a proposed Notice of Hearing ~~is being~~ **HAS BEEN** submitted electronically to the Commission.

WHEREFORE, Piceance respectfully requests this matter be set for hearing, notice be given as required by law, and upon such hearing this Commission enter the following order:

a. The Commission should vacate Orders Nos. 369-4, 369-5 and 369-11 insofar as they apply to the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations in the Application Lands.

b. The Commission should order that the Application Lands be established as a single drilling and spacing unit consisting of the approximately ~~640~~ **480** acres within ~~Section 20~~ **THE APPLICATION LANDS** for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations so that wells may be better located within the new proposed drilling and spacing unit.

c. The equivalent of one well per 10-acre density should be ordered for all wells producing from the Williams Fork and Iles Formations from within the Application Lands.


d. All wells producing from the Williams Fork and Iles Formations within the Application Lands, ~~including those wells producing from lands subject to the Buzzard Creek Federal Unit,~~ shall be drilled from no more than one well pad per quarter quarter section, **WITH A TOTAL OF NO MORE THAN SIX WELL PADS WITHIN THE UNIT**, and be located no closer than 100 feet from the exterior boundaries of the Application Lands, or 200 feet from the exterior boundaries of the Application Lands if the Application Lands abut or corner lands not subject to 10-acre density, without exception being granted by the Director.

e. The Commission should enter and issue such other findings and orders, consistent with the requests set forth above, which the Commission may determine to be just and proper.

RESPECTFULLY SUBMITTED this 12<sup>th</sup> day of **AUGUST**, 2015.

BJORK LINDLEY LITTLE PC

By: \_\_\_\_\_

  
David R. Little, #13340  
Allison Preiss, #43575

1600 Stout Street, Suite 1400  
Denver, Colorado 80202  
Phone Number: 303-892-1400  
Fax Number: 303-892-1401  
dlittle@bjorklindley.com  
apreiss@bjorklindley.com

Address of Applicant:

Piceance Energy, LLC  
(Operator Number 10433)  
1512 Larimer Street, Suite 1000  
Denver, CO 80202

VERIFICATION

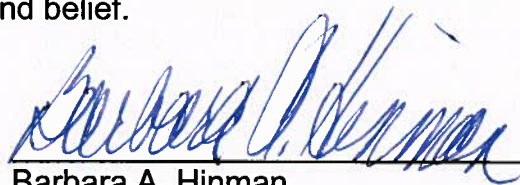
STATE OF COLORADO            )  
  ) ss.  
CITY & COUNTY OF DENVER    )

The undersigned, of lawful age, having been first sworn upon her oath,  
deposes and states that:

1. I am a Senior Landman for Piceance Energy, LLC, 1512 Larimer  
Street, Suite 1000, Denver, CO 80202.

2. I have read the **AMENDED** Application and I have personal  
knowledge of the facts set forth therein. The facts in the **AMENDED** Application are  
true and correct to the best of my knowledge and belief.

Further Affiant sayeth not.

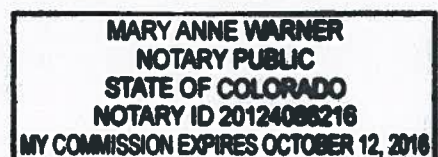
  
Barbara A. Hinman

Subscribed and sworn to before me this 11<sup>th</sup> day of **AUGUST**, 2015.

Witness my hand and official seal.

My commission expires: October 12, 2016

  
Mary Anne Warner, Notary Public



## **EXHIBIT B – INTERESTED PARTIES**

T9S-R93W, Sec. 20: All **SE**<sup>1</sup>/<sub>4</sub>, **W**<sup>1</sup>/<sub>2</sub>  
Mesa County, Colorado

Piceance Energy, LLC (Applicant)  
1512 Larimer Street, Suite 1000  
Denver, CO 80202

Oxy USA Inc.  
5 Greenway Plaza  
Houston, TX 77046-0506

United States Department of the Interior  
Bureau of Land Management  
Colorado State Office  
2850 Youngfield Street  
Lakewood, CO 80215-7093

Encana Oil & Gas (USA) Inc.  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

United States Department of the Interior  
Bureau of Land Management  
2815 H Road  
Grand Junction, CO 81506  
Attention: Bob Hartman

MAP2009-OK, an Oklahoma general  
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Oklahoma City, OK 73102

Michael Warren  
Northwest Regional Office  
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