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

IN THE MATTER OF AN APPLICATION BY CRESCENT POINT ENERGY U.S. CORP. FOR AN ORDER: (1) VACATING CAUSE NO. 535, ORDER No. 535-69; (2) VACATING CAUSE NO. 535, ORDER NO. 535-86; (3) ESTABLISHING AN **APPROXIMATE** 960-ACRE DRILLING AND COMPRISED OF SPACING UNIT ALL SECTION 32, TOWNSHIP 9 NORTH, RANGE 59 WEST, 6th P.M. AND THE N/2 OF SECTION 5. TOWNSHIP 8 NORTH, RANGE 59 WEST, 6th PM, FOR HORIZONTAL WELL DEVELOPMENT OF THE CODELL-NIOBRARA FORMATIONS. WATTENBERG FIELD, WELD COUNTY COLORADO; (4) AUTHORIZING THE DRILLING OF UP TO TWENTY-EIGHT (28) HORIZONTAL WELLS WITHIN SUCH PROPOSED DRILLING AND SPACING UNIT; (5) AUTHORIZING ONE HUNDRED FIFTY FOOT (150') INTERWELL SETBACKS: AND (6) AUTHORIZING FOUR HUNDRED SIXTY FOOT (460') DRILLING AND SPACING UNIT BOUNDARY LINE SETBACKS

CAUSE NO. 535

DOCKET NO. To be assigned

APPLICATION

)

Crescent Point Energy U.S. Corp. ("<u>CPEUSC</u>" or "<u>Applicant</u>"), by and through its attorneys, Fox Rothschild LLP, respectfully submits this Application ("<u>Application</u>") to the Oil and Gas Conservation Commission of the State of Colorado ("<u>Commission</u>") for an order: (1) vacating Cause No. 535, Order No. 535-69; (2) vacating Cause No. 535, Order No. 535-86; (3) establishing an approximate 960-acre drilling and spacing unit comprised of all of Section 32, Township 9 North, Range 59 West, 6th P.M. and the N/2 of Section 5, Township 8 North, Range 59 West, 6th P.M., for horizontal well development of the Codell-Niobrara Formations, Wattenberg Field, Weld County, Colorado; (4) authorizing the drilling of up to twenty-eight (28) horizontal wells within such proposed drilling and spacing unit; (5) authorizing one hundred fifty foot (150') interwell setbacks; and (6) authorizing four hundred sixty foot (460') drilling and spacing unit boundary line setbacks.

In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is registered as Operator No. 10520 with the Commission.

2. Applicant owns substantial leasehold interests in the below-listed lands ("Application Lands"):

Township 9 North, Range 59 West, 6th P.M. Section 32: All

Township 8 North, Range 59 West, 6th P.M. Section 5: N/2
Containing 960.00 acres, more or less

- 3. A map depicting the acreage comprising the Application Lands is attached hereto and incorporated herein as **Exhibit A**.
- 4. On September 19, 2011, the Commission entered Cause No. 535, Order No. 535-69 which, among other things, established an approximate 640-acre drilling and spacing unit comprised of All of Section 32, Township 9 North, Range 59 West, 6th P.M., and approved two (2) horizontal wells for such drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, the treated interval of which to be located: (i) no closer than six hundred feet (600') from the boundaries of such drilling and spacing unit and (ii) not less than one hundred fifty feet (150') from any existing or permitted oil or gas wellbore, absent exception being granted by the Director or variance being granted by the Commission ("Order No. 535-69").
- 5. On October 31, 2011, the Commission entered Cause No. 535, Order No. 535-86 which, among other things, established an approximate 640-acre drilling and spacing unit comprised of All of Section 5, Township 8 North, Range 59 West, 6th P.M., and approved two (2) horizontal wells for such drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, the treated interval of which to be located: (i) no closer than six hundred feet (600') from the boundaries of such drilling and spacing unit and (ii) not less than one hundred fifty feet (150') from any existing or permitted oil or gas wellbore, absent exception being granted by the Director or variance being granted by the Commission ("Order No. 535-86").
- 6. The Commission has issued no other orders concerning the establishment of drilling and spacing units touching and concerning the Application Lands.
- 7. As of the date of filing of this Application: (i) no horizontal wells have been drilled on the Application Lands pursuant to Order Nos. 535-69 and 535-86 and (ii) there are no pending or issued Applications for Permit to Drill covering the Application Lands.
- 8. Applicant requests that Order No. 535-69, with respect to the Application Lands, be vacated.
 - 9. Applicant requests that Order No. 535-86 be vacated.

- 10. Applicant requests that the Commission establish the Application Lands as an approximate 960-acre drilling and spacing unit for the Codell-Niobrara Formations, pursuant to Commission Rule 503.b.(1) and C.R.S. § 34-60-116(2) ("Proposed DSU").
- 11. The Proposed DSU is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed by this Application to be drilled and completed in the Codell-Niobrara Formations.
- 12. Applicant also requests that it be authorized to drill and complete up to twenty-eight (28) horizontal wells in the Proposed DSU (collectively, "Wells"), for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations ("Increased Well Density Request"), pursuant to Commission Rule 503.b.(1).
- 13. Applicant further requests that the productive interval for any of the Wells be located no closer than one hundred fifty feet (150') from the productive interval of any other wellbore located within the in the Proposed DSU, absent exception being granted by the Director or variance being granted by the Commission ("Interwell Setback Request"), pursuant to Commission Rule 503.b.(1).
- 14. Applicant also requests that the productive interval for any of the Wells be located no closer than four hundred sixty feet (460') from the boundary of the Proposed DSU, absent exception being granted by the Director or variance being granted by the Commission ("Boundary Line Setback Request"), pursuant to Commission Rule 503.b.(1).
- 15. Applicant states that its request for the vacation of Order Nos. 535-69 and 535-86, the creation of the Proposed DSU, its Increased Well Density Request, its Interwell Setback Request, and its Boundary Line Setback Request are each necessary and will promote full, economic and efficient resource recovery, minimize surface impacts, create of efficiencies for drilling and production, increase the ultimate recovery of the hydrocarbon reserves, prevent waste, and protect correlative rights.
- 16. Applicant states that no interested party will be prejudiced by the granting of the relief sought herein.
- 17. Applicant states that any horizontal wells to be drilled under this Application will be drilled on the surface of the proposed drilling and spacing unit, or on adjacent lands with consent of the landowner, absent exception being granted by the Director or variance being granted by the Commission.
- 18. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at C.R.S. § 34-60-101, et seq., and the Commission Rules.

- 19. That the names and addresses of the interested parties (owners within the Application Lands and certain cornering/contiguous lands) are attached hereto and incorporated herein as <u>Exhibit B</u>.
- 20. Applicant shall submit a certificate of service for this Application within the seven (7) days required by Commission Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law, and that upon such hearing this Commission enter its order:

- A. Vacating Cause No. 535, Order No. 535-69 dated September 19, 2011, with respect to the Application Lands;
 - B. Vacating Cause No. 535, Order No. 535-86 dated October 31, 2011;
- C. Establishing the Application Lands as an approximate 960-acre drilling and spacing unit for the Codell-Niobrara Formations;
- D. Authorizing the drilling and completion of up to twenty-eight (28) horizontal wells in the proposed drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations;
- E. Authorizing the productive interval for any of the horizontal wells drilled and completed within the proposed drilling and spacing unit to be located no closer than one hundred fifty feet (150') from the productive interval of any other wellbore located within the proposed drilling and spacing unit, absent exception being granted by the Director or variance being granted by the Commission, pursuant to Commission Rule 503.b.(1);
- F. Authorizing the productive interval for any of the horizontal wells drilled and completed within the proposed drilling and spacing unit to be located no closer than four hundred sixty feet (460') from the boundary of the proposed drilling and spacing unit, absent exception being granted by the Director or variance being granted by the Commission; and
- G. For such other findings and orders as the Commission may deem proper or advisable.

Respectfully dated and submitted this 16th day of July, 2015.

By:_

Brent D. Chicken (Colorado Bar No. 36217)

Fox Rothschild LLP

Attorney for Applicant 1225 17th Street Suite 2200 Denver, CO 80202 303.446.3844 bchicken@foxrothschild.com

Applicant:

Crescent Point Energy U.S. Corp. Attn: Rick Feger 555 17th Street, Suite 1800 Denver, CO 80202 303.308.6265 rfeger@crescentpointenergy.com

Local Governmental Designee:

Troy Swain
Weld County Department of Planning Services
1555 North 17th Avenue
Greeley, CO 80631
970.353.6100
tswain@weldgov.com

VERIFICATION

| STATE OF COLORADO |) |
|---------------------------|------|
| |) ss |
| CITY AND COUNTY OF DENVER |) |

Anthony Baldwin, Manager of Land and Business Development, Crescent Point Energy U.S. Corp., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

CRESCENT POINT ENERGY U.S. CORP.

Anthony Baldwin

Manager of Land and Business Development

Acknowledged, subscribed and sworn to before me this who day of him by Anthony Baldwin, Manager of Land and Business Development, Crescent Point Energy U.S. Corp.

SEAL

Print Name: Amanda Medona

Notary Public

State of: Colora de

My commission expires:

AMANDA MEDINA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144028150
MY COMMISSION EXPIRES JULY 17, 2018

EXHIBIT A

APPLICATION LANDS MAP

T9N R59W; Section 32: ALL T8N R59W; Section 5: N/2 960 acres, more or less

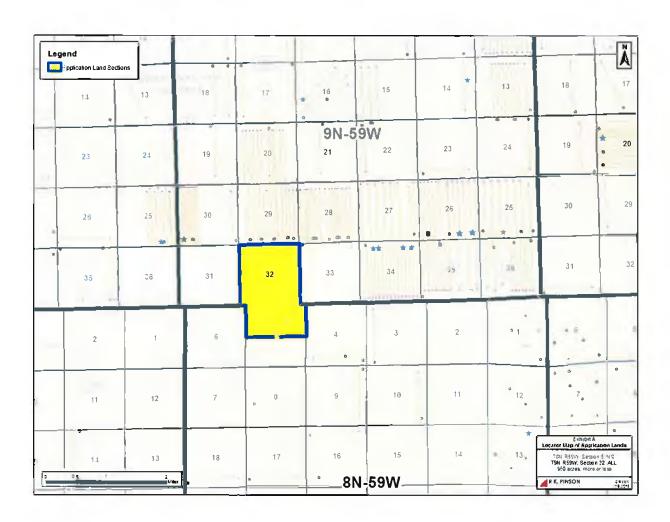


EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 32, Township 9 North, Range 59 West, 6th P.M., the N/2 of Section 5 Township 8 North, Range 59 West, 6th P.M. and certain cornering/contiguous lands), according to the information and belief of the Applicant, are set forth in this <u>Exhibit B</u>.

Energy Land Services, LLC PO Box 1438 Denver, CO 80201

Noble Energy Inc. 1625 Broadway Suite 2000 Denver, CO 80202

Weld County c/o Board of County Commissioners 915 10th Street P.O. Box 758 Greeley, CO 80632

Noble Energy WyCo, LLC 1625 Broadway Suite 2000 Denver, CO 80202

Carrizo (Niobrara) LLC 500 Dallas Street Suite 2300 Houston, TX 77002

Oil India (USA), Inc. 333 Clay Street Suite 3300 Houston, TX 77002

IOCL (USA) Inc. 333 Clay Street Suite 3300 Houston, TX 77002 GFL and Associates, LLC 19751 E. Mainstreet Suite 334 Parker, CO 80138

Haimo Oil & Gas, LLC 2907 Wilcrest Drive Suite 285 Houston, TX 77042

United States Department of the Interior c/o BLM Colorado State Office 2850 Youngfield Street Lakewood, CO 80215-7076

Carrizo Oil & Gas, Inc. 500 Dallas Street Suite 2300 Houston, TX 77002

Contex Energy Company, LLC 621 17th Street Suite 1020 Denver, CO 80293

Larimer County Society for Crippled Children and Adults, Inc. (Address Unknown)

Martha Penny (Address Unknown)

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

IN THE MATTER OF AN APPLICATION BY CRESCENT POINT ENERGY U.S. CORP. FOR AN ORDER: (1) VACATING CAUSE NO. 535, ORDER No. 535-69; (2) VACATING CAUSE NO. 535. ORDER NO. 535-86; (3) ESTABLISHING AN APPROXIMATE 960-ACRE DRILLING AND SPACING UNIT COMPRISED OF ALL OF SECTION 32. TOWNSHIP 9 NORTH, RANGE 59 WEST, 6th P.M. AND THE N/2 OF SECTION 5. TOWNSHIP 8 NORTH, RANGE 59 WEST, 6th PM, FOR HORIZONTAL WELL DEVELOPMENT OF THE CODELL-NIOBRARA FORMATIONS. WATTENBERG FIELD. WELD COUNTY COLORADO; (4) AUTHORIZING THE DRILLING OF UP TO TWENTY-EIGHT (28) HORIZONTAL WELLS WITHIN SUCH PROPOSED DRILLING AND SPACING UNIT; (5) AUTHORIZING ONE HUNDRED FIFTY FOOT (150') INTERWELL SETBACKS: AND (6) AUTHORIZING FOUR HUNDRED SIXTY FOOT (460') DRILLING AND SPACING UNIT BOUNDARY LINE SETBACKS

CAUSE NO. 535

DOCKET NO. To be assigned

CERTIFICATE OF SERVICE

Brent D. Chicken, of lawful age, and being first duly sworn upon his oath, states and declares that he is the attorney for Crescent Point Energy U.S. Corp. with respect to the above-captioned matter, and that on July 16, 2015, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application

Brent D. Chicken

Subscribed and sworn to before me on the 10 day of July, 2015

Witness my hand and official seal.

CYNDI NICHOLS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19984014315
MY COMMISSION EXPIRES MAY 22, 2018

Notary Public