

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

IN THE MATTER OF THE PROMULGATION ) CAUSE NO. 556  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS FOR THE SPERGEN ) DOCKET NO. 160600242  
FORMATION, ARIKAREE CREEK FIELD, )  
LINCOLN COUNTY, COLORADO ) TYPE: UNITIZATION

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 6 South, Range 54 West, 6<sup>th</sup> P.M.  
Section 2: SW $\frac{1}{4}$ SW $\frac{1}{4}$   
Section 10: NE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$   
Section 11: W $\frac{1}{2}$   
Section 14: W $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$   
Section 15: NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$

APPLICATION

Nighthawk Production, LLC, Operator No. 10399 ("Nighthawk" or "Applicant") filed a verified amended application for an order determining that conditions set forth in Order No. 556-1 have been satisfied, which Order established the Arikaree Creek State Unit for the unitization of the Mississippian Spergen Formation in the Application Lands, Lincoln County, Colorado; or in the alternative, amending the description of the unit area in Order No. 556-1, and determining that the conditions set forth therein have been satisfied.

In the event that the plan of unit operations has not been approved in writing by the owners of at least eighty-percent (80%) of the production or proceeds thereof that will be credited to interests which are free of cost, such as royalties, overriding royalties, and production payments, Nighthawk has requested that the Commission enter an order:

- Contracting the Unit Area to the following described lands:

Township 6 South, Range 54 West, 6<sup>th</sup> P.M.  
Section 14: W $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$   
Section 15: NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$

- Changing the name of the Unit as approved in Order 556-1 from the "Arikaree Creek State Unit" to the "Arikaree Creek Pilot Unit"; and
- Determining that the conditions set forth in Order No. 556-1 have been satisfied as to the Pilot Unit and the Pilot Unit Area.

**APPLICABLE RULES AND ORDERS**

(available online at: <http://cogcc.state.co.us>, under "ORDERS")

- On March 7, 2016, the Commission approved Order No. 556-1, which conditionally approved unitization of the Arikaree Creek Field in the Application Lands, Lincoln County, CO. Order No. 556-1 shall become effective on the Commission finding in a supplemental order, after application, notice, and hearing, that Nighthawk has presented a unit agreement that is a just and fair allocation of production in the unit and includes a two-phased formula. Phase one must compensate royalty interest owners based on estimated remaining primary recovery and phase two must compensate royalty interest owners based on secondary recovery. Order No. 556-1 shall become effective on approval in writing of the plan of unit operations by those persons who, under the Commission's Order, will be required to pay at least eighty-percent (80%) of the costs of unit operation, and also by the owners of at least eighty-percent (80%) of the production or proceeds thereof that will be credited to interests which are free of cost, such as royalties, overriding royalties, and production payments, and a finding by the Commission in a supplemental order, after application, notice, and such supplemental hearing as may be required, that the requisite eighty-percent (80%) approvals have been obtained.

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: June 6-7, 2016  
Time: 9:00 a.m.  
Place: Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 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 May 23, 2016. 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 May 23, 2016. 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 Murphy, Secretary

Dated: May 2, 2016

Colorado Oil and Gas Conservation Commission  
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