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

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER POOLING ALL INTERESTS IN THE NIOBRARA FORMATION IN A 640-ACRE DRILLING AND SPACING UNIT IN WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Continental Resources, Inc. ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests for the development of the Niobrara Formation on the following described lands:

Township 7 North, Range 60 West, 6th P.M. Section 5: All

Weld County, Colorado (hereinafter "Application Lands").

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 a registered operator in good standing with the Commission.
 - 2. Applicant owns leasehold interests in a substantial portion of the Application Lands.
- 3. On December 16, 2011, the Commission entered its Order 407-514 & 535-104, effective December 12, 2011, which, among other things, established a drilling unit comprised of the Application Lands for the drilling of a horizontal well to the Niobrara Formation.
- 4. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in the Application Lands for the development of the Niobrara Formation, said order to apply to the Leggett 1-5H well ("the Well") and any subsequent well drilled in the unit for the development of the Niobrara Formation.
- 5. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well.
- 6. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the well, and will be provided with the information required by Rule 530. The application and notice of hearing will also be served on leased mineral (royalty)

owners not entitled to an offer to participate or lease under Rule 530. The list of such interested parties is attached hereto as <u>Exhibit A.</u>

7. In order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Niobrara Formation.

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

- A. Pooling all interests in the Application Lands for the development of the Niobrara Formation, including the Well and all subsequent wells.
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well.
- C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Niobrara Formation in the drilling unit.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April, 2012, notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: February 16, 2012.

By:_____

Kenneth A. Wonstolen Elizabeth Y. Gallaway Beatty & Wozniak, P.C. 216 Sixteenth Street-Suite 1100 Denver, CO 80202-5115

Applicant's Address:

Continental Resources, Inc. ATTN: Matthew D. Callaway 302 N. Independence Enid, OK 73702

VERIFICATION

STATE OF OKLAHOMA)
) ss. COUNTY OF GARFIELD)
Michael D. Schooley, of lawful age, being first duly sworn upon oath, deposes and says that he is Emerging Plays Landman for Continental Resources, Inc. and that he has read the oregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.
Michael D. Schooley
Subscribed and sworn to before me this day of February, 2012.
Witness my hand and official seal.
My commission expires:
Notary Public

EXHIBIT A

Myron Showers and Kathleen L. Showers as Joint Tenants 49294 Weld County Rd. 86 Briggsdale, CO 80611

Continental Resources, Inc. 302 N. Independence Enid, OK 73701

Palace Exploration Co. 5 East 5th St., 5th Floor New York, NY 10022

Terry J. Cammon 10455 W. 73rd Pl. Arvada, CO 80005

Mile Hi Oil & Gas, Inc. P.O. Box 27296 Denver, CO 80227 Henry A. Kugeler, Jr. Family Trust c/o Joyce W. Kugeler, Trustee 10251 Arapahoe Rd. Lafayette, CO 80026

Diversified Operation Corp. 1500 W. 6th Ave., Ste. 102 Golden, CO 80401

Kathryn O. Bomholt 2664 So. Troy Cort Aurora, CO 80014

TAK Mountain, LLC. 1600 Broadway, Ste. 1525 Denver, CO 80202

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

IN THE MATTER OF THE APPLICATION CONTINENTAL RESOURCES, INC. FOR A		
•	NIOBRARA DOCKET NO.	
AFFIDAVIT OF MAILING		
STATE OF COLORADO)		
)ss. CITY AND COUNTY OF DENVER)		
Elizabeth Y. Gallaway, of lawful age, a declares:	nd being first duly sworn upon her oath, states and	
That she is the attorney for Continental Resources, Inc., and that on or before February _ 2012 she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.		
	Elizabeth Y. Gallaway	
Subscribed and sworn to before me or	February, 2012.	
Witness my hand and official seal.		
My commission expires:	.	

Notary Public