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

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IN THE MATTER OF THE APPLICATION OF WHITING OIL AND GAS CORPORATION FOR AN ORDER ESTABLISHING ONE 960-ACRE DRILLING AND **SPACING** UNIT AND ESTABLISHING EXISTING WELL LOCATION RULES APPLICABLE TO THE DRILLING AND PRODUCING OF WELLS FROM THE NIOBRARA FORMATION COVERING CERTAIN LANDS IN TOWNSHIP 10 NORTH, RANGE 57 WEST, WELD COUNTY, COLORADO.

Cause No. 535

Docket No.

APPLICATION

Whiting Oil and Gas Corporation ("Applicant"), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing one approximate 960-acre drilling and spacing unit, and establishing well location rules applicable to the drilling of wells and producing of oil and gas from the Niobrara Formation covering certain lands in Weld County, Colorado. In support of its Application, Applicant states as follows:

1. Applicant owns leasehold interests in the following lands ("Application Lands"):

Township 10 North, Range 57 West, 6th P.M. Section 9: S¹/₂ Section 16: All

A reference map of the Application Lands is attached hereto.

2. The Application Lands are subject to Commission Rule 318.a. which provides that a well drilled in excess of 2,500' in depth shall be located not less than 600' from any lease line, and shall be located not less than 1,200' from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. There are no other specific Commission Orders applicable to the Niobrara Formation underlying the Application Lands.

3. The Niobrara Formation in the area of the Application Lands is defined as the stratigraphic equivalent of the interval between 5,777' (top of the Niobrara) and 6,101' (base of the Niobrara) as found in the Walker #3 Well located in Township 10 North, Range 58 West, 6th P.M., Section 31, Weld County, Colorado. The Niobrara Formation is a common source of supply under the Application Lands.

4. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish a drilling and spacing unit of approximately 960 acres covering the Application Lands.

5. Applicant has drilled, tested and completed wells in the Niobrara Formation upon lands in close proximity to the Application Lands.

6. The above-proposed drilling and spacing unit will allow efficient drainage of the Niobrara Formation, will prevent waste, will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the Niobrara Formation. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing unit. Applicant further maintains that a well drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

7. Applicant is requesting to drill and complete one horizontal well in the approximate 960-acre drilling and spacing unit described above, with the option to drill and complete an additional three wells in the drilling and spacing unit. The Applicant states the proposed horizontal well shall be located on the surface anywhere within the designated drilling and spacing unit with initial perforation of the Niobrara Formation and an ultimate bottomhole location no closer than 600' from the boundaries of the drilling and spacing unit. The Applicant further maintains that the proposed horizontal well will have no adverse effect on correlative rights of adjacent lands owners.

8. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in <u>Exhibit A</u> attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by 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 consistent with Applicant's proposals as set forth above.

Dated this 24^{th} day of January, 2013.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

helps of Kussell Bv:

Stephen J. Sullivan Chelsey J. Russell Welborn Sullivan Meck & Tooley, P.C. Attorneys for Applicant 1125 - 17th Street, Suite 2200 Denver, CO 80202 303-830-2500

Applicant's Address:

1700 Broadway, Suite 2300 Denver, CO 80290-2300

Attn: Scott McDaniel, Regional Land Manager Phone: 303-390-4261

VERIFICATION

STATE OF COLORADO

CITY & COUNTY OF DENVER

Scott McDaniel, Regional Landman with Whiting Oil and Gas Corporation, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

) ss.

WHITING OIL AND GAS CORPORATION

Scott McDaniel, Regional Landman

Subscribed and sworn to before me this <u></u>day of January, 2013 by Scott McDaniel, Regional Landman for Whiting Oil and Gas Corporation.

Witness my hand and official seal.

FRANK J. OLSEY III Notary Public State of Colorado

Notary Rublic U My Commission Expires: <u>8.31.2014</u>

EXHIBIT A

INTERESTED PARTIES

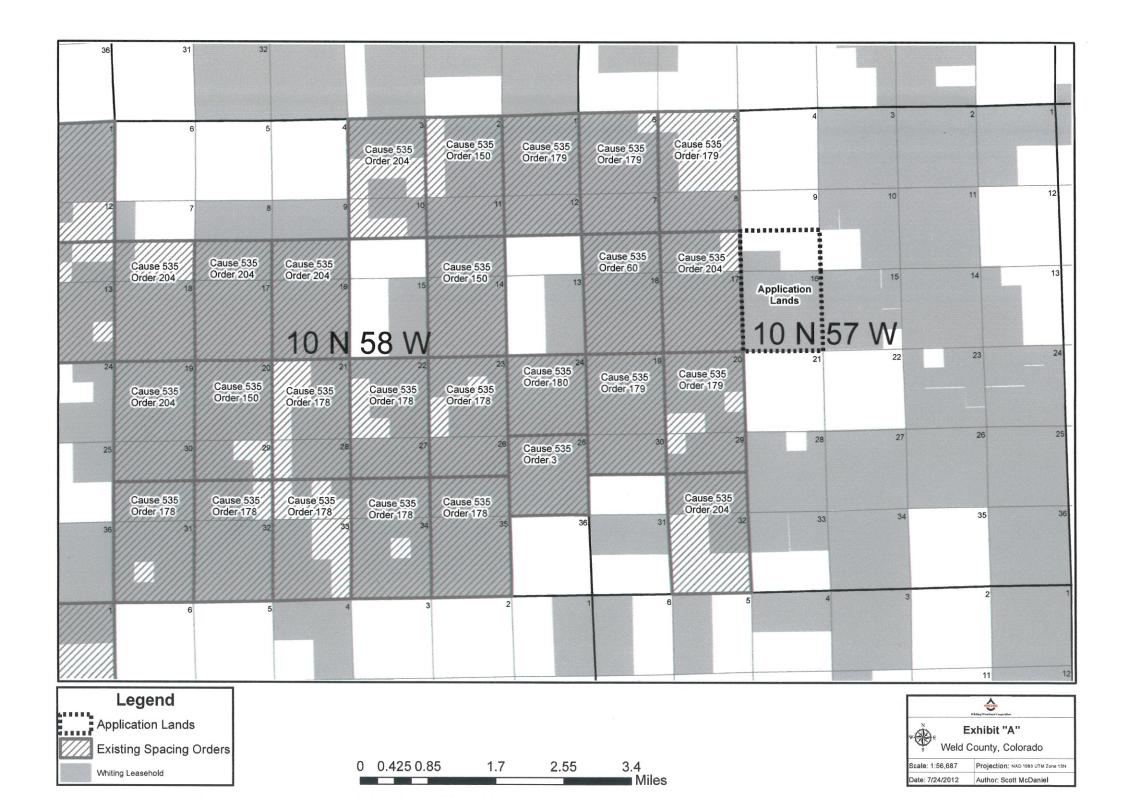
Carrizo (Niobrara), LLC 500 Dallas Street Suite 2300 Houston, TX 77002

HRM Resources LLC 410 – Seventeenth Street Suite 1200 Denver, CO 80202

IOCL USA, Inc. c/o Carrizo (Niobrara), LLC 500 Dallas Street Suite 2300 Houston, TX 77002

Oil India USA c/o Carrizo (Niobrara), LLC 500 Dallas Street Suite 2300 Houston, TX 77002

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STATE OF COLORADO

CITY AND COUNTY OF DENVER

I, Chelsey J. Russell, of lawful age, and being first duly sworn upon my oath, state and declare:

That I am the attorney for Whiting Oil and Gas Corporation and that on or before January 28, 2013, I 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.

Chilly Russell

Subscribed and sworn to before me January 28, 2013.

Witness my hand and official seal.



Mulasa & Molment Notary Public My commission expires: <u>aug. 29, 20</u>13