

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

IN THE MATTER OF THE APPLICATION OF
GREAT WESTERN OPERATING COMPANY,
LLC FOR AN ORDER TO ESTABLISH AN
APPROXIMATE 640-ACRE DRILLING AND
SPACING UNIT FOR THE SECTION 11,
TOWNSHIP 3 NORTH, RANGE 68 WEST 6TH
P.M. FOR THE CODELL-NIOBRARA
FORMATION, WATTENBERG FIELD, WELD
COUNTY, COLORADO

Cause No.

Docket No.

APPLICATION

Great Western Operating Company, LLC ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Colorado Oil and Gas Conservation Commission (the "Commission"), pursuant to C.R.S. 34-60-116, for an order to establish an approximate 640-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation in the following lands:

Township 3 North, Range 68 West, 6th P.M.
Section 11: All

Weld County, Colorado ("Application Lands").

In support thereof, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
2. Applicant holds the right to operate in the Application Lands.
3. On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation, with the permitted well locations in accordance with the provisions of Order No. 407-1.
4. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended to, among other things, address drilling of horizontal wells but did not prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.
5. There are no currently producing vertical and/or directional wells drilled and completed to the Codell-Niobrara Formation on the Application Lands.

6. Applicant requests that the Commission create an approximate horizontal well 640-acre drilling and spacing unit on the Application Lands for horizontal well development and the operation of the Codell-Niobrara Formation.

7. Applicant requests that it be authorized to drill and complete up to twelve (12) horizontal wells within the unit with the treated interval of the horizontal wells located no closer than 460' from the boundaries of the drilling and spacing unit and no closer than 150' from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.

8. Applicant requests authorization to locate the wellpads for the proposed horizontal wells anywhere within the unit, or on adjacent lands. The proposed wellpads are not within a designated GWA drilling window. Applicant is currently in negotiations with a surface owner for a Surface Use Agreement.

9. Applicant requests confirmation that it shall be allowed to utilize its blanket bond to located the wellpads for the proposed horizontal wells on at a surface location outside the applicable GWA drilling window, if applicable. As a courtesy, the surface owners within the proposed unit have been provided notice of this Application.

10. Applicant asserts that establishing an approximate 640-acre drilling and spacing unit on the Application Lands will allow for economic and efficient drainage of the Codell-Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil and associated hydrocarbon substances from the Codell-Niobrara Formation. A 640-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed well in the Codell-Niobrara Formation within the unit.

11. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A 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:

A. Establishing the Application Lands as an approximate horizontal well 640-acre drilling and spacing unit for the Codell-Niobrara Formation and authorizing twelve (12) horizontal wells within the unit.

B. Providing that the treated interval of each horizontal well shall be no closer than 460' from the boundaries of the drilling and spacing unit and no closer than 150' from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.

C. Authorizing the location of the wellpads for the proposed horizontal wells anywhere within the unit, or on adjacent lands.

D. Confirming that Applicant shall be allowed to utilize its blanket bond to locate the wellpads for the proposed horizontal wells on at a surface location outside the applicable GWA drilling window, if applicable.

E. Finding that the approximate 640-acre drilling and spacing unit will prevent waste, protect correlative rights, and will maximize the efficient and economic production of the Codell-Niobrara Formation on the Application Lands; and

F. Granting any other relief as may be appropriate.

Dated this 30th day of May, 2013.

Respectfully submitted,

GREAT WESTERN OPERATING COMPANY, LLC

By: Jamie L. Jost
Jamie L. Jost
Gregory J. Nibert Jr.
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303)407-4499

Applicant's Address:

Great Western Operating Company, LLC
ATTN: K. Wade Pollard, CPL
1700 Broadway, Suite 650
Denver, CO 80290

VERIFICATION

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

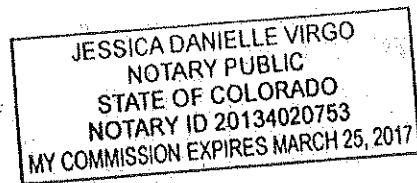
K. Wade Pollard, of lawful age, being first duly sworn upon oath, deposes and says that he is the Land Manager for Great Western Operating Company, LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

K. Wade Pollard #
K. Wade Pollard
Land Manager
Great Western Operating Company, LLC

Subscribed and sworn to before this 30 day of May, 2013.

Witness my hand and official seal.

[SEAL]



My commission expires: March 25, 2017

Jessica Virgo
Notary Public

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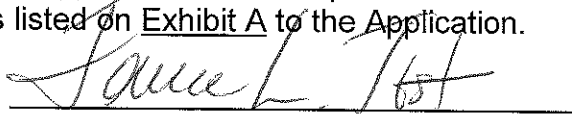
Docket No.

AFFIDAVIT OF MAILING

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

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

1, That she is the attorney for Great Western Operating Company, LLC, that on or before June 7, 2013, 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.



Jamie L. Jost

Subscribed and sworn to before me on May 30, 2013.

Witness my hand and official seal.

My commission expires: 10-04-13.



Notary Public

EXHIBIT A
INTERESTED PARTIES

DJ Basin Partners, LLC
1700 Broadway, Suite 650
Denver, CO 80290

Kerr-McGee Oil & Gas Onshore LP
1099 18th St., Ste. 1800
Denver, CO. 80202

HRM Resources, LLC
555 17th Street, Suite 950
Denver, CO 80202

Grizzly Petroleum, LLC
1700 Broadway, Suite 650
Denver, CO 80202

Kent Kuster
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Tom Schreiner
Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
6060 Broadway
Denver, CO 80216

Weld County Colorado
ATTN: David Bauer
1111 H Street
Greeley, CO 80632

Surface Owner (Courtesy Copy Only)

James Postle,
Individually and as President of Postle
Properties III, LLC.
3168 5th St.
Boulder, CO. 80304