

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 VACATE FOUR DRILLING AND SPACING UNITS ESTABLISHED BY ORDER NO. 407-87 AND ESTABLISH AN APPROXIMATE 320-ACRE HORIZONTAL DRILLING AND SPACING UNIT FOR THE SECTION 10, TOWNSHIP 6 NORTH, RANGE 67 WEST 6<sup>TH</sup> 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 1) vacate four (4) 80-acre drilling and spacing units established by Order No. 407-87 and 2) establish an approximate 320-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation in the following lands:

Township 6 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 10: W½

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 issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including the Application Lands, 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. Applicant requests that the Commission 1) vacate four (4) 80-acre drilling and spacing units established by Order No. 407-87 and 2) create an approximate horizontal well 320-acre drilling and spacing unit on the Application Lands for horizontal well development and the operation of the Codell-Niobrara Formation.

6. Applicant requests that it be authorized to drill and complete up to eight (8) horizontal wells within the unit with the treated interval of the horizontal wells located no closer than 330' 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.

7. 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.

8. Applicant requests a finding by the Commission that Applicant may use its existing surface blanket bond to locate the wellpads for the proposed horizontal wells at a surface location outside the applicable GWA drilling window, if applicable. Applicant will identify the GWA window to be foreited in its Rule 511 testimony. As a courtesy, the surface owners within the proposed unit have been provided notice of this Application.

9. Applicant asserts that establishing an approximate 320-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 320-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.

10. 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. Vacating four (4) 80-acre drilling and spacing units established by Order No. 407-87 for the Application Lands

B. Establishing the Application Lands as an approximate horizontal well 320-acre drilling and spacing unit for the Codell-Niobrara Formation and authorizing eight (8) horizontal wells within the unit.

C. Providing that the treated interval of each horizontal well shall be no closer than 330' 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.

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

E. 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.

F. Finding that the approximate 320-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

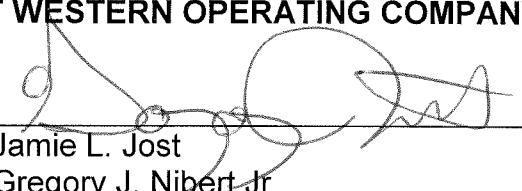
G. Granting any other relief as may be appropriate.

Dated this \_\_\_\_ day of July, 2013.

Respectfully submitted,

**GREAT WESTERN OPERATING COMPANY, LLC**

By:



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)

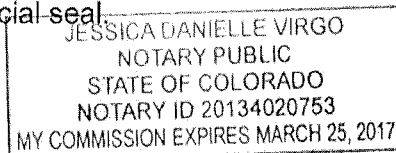
K. Wade Pollard, of lawful age, being first duly sworn upon oath, deposes and says that he is the Land Manager for Great Western Operating Company, LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

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

Subscribed and sworn to before this 18 day of July, 2013.

Witness my hand and official seal

[SEAL]



My commission expires: 3-25-17

[Signature]  
Notary Public

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OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF GREAT  
WESTERN OPERATING COMPANY, LLC FOR AN  
ORDER TO VACATE FOUR DRILLING AND  
SPACING UNITS ESTABLISHED BY ORDER NO.  
407-87 AND ESTABLISH AN APPROXIMATE 320-  
ACRE HORIZONTAL DRILLING AND SPACING UNIT  
FOR THE SECTION 10, TOWNSHIP 6 NORTH,  
RANGE 67 WEST 6TH P.M. FOR THE CODELL-  
NIOBRARA FORMATION, WATTENBERG FIELD,  
WELD COUNTY, COLORADO

Cause No.

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**AFFIDAVIT OF MAILING**

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

Gregory J. Nibert, Jr. of lawful age, and being first duly sworn upon his oath, states and declares:

25 That he is the attorney for Great Western Operating Company, LLC, that on or before July 25, 2013, 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 A to the Application.

  
\_\_\_\_\_  
Gregory J. Nibert, Jr.

Subscribed and sworn to before me on July 18, 2013.

Witness my hand and official seal.

My commission expires: 3/31/15.

  
\_\_\_\_\_  
Notary Public

MARY GRACE T. GO-HOVELAND  
Notary Public  
State of Colorado

EXHIBIT A  
INTERESTED PARTIES

Great Western Operating Company, LLC  
1700 Broadway, Suite 650  
Denver, CO 80290

Bruce T. Barker, Esq.  
Weld County Commissioner Office  
P.O. Box 758  
Greeley, CO 80634

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

Michael Warren  
Energy Liaison  
Colorado Parks And Wildlife  
Northwest Regional Office  
711 Independent Ave.  
Grand Junction, CO 81505

Weld 152, LLC  
8020 S. County Road 5, Suite 200  
Windsor, CO 80528

**Surface Owner (Courtesy Copy Only)**