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

IN THE MATTER OF THE APPLICATION OF WHITING OIL AND GAS CORPORATION FOR AN ORDER POOLING NONCONSENTING INTERESTS IN THE NIOBRARA FORMATION COVERING CERTAIN LANDS IN SECTIONS 1 AND 12 OF TOWNSHIP 10 NORTH, RANGE 58 WEST, 6TH P.M., WELD COUNTY, COLORADO.

Cause No. 535

Docket No.

Intake No.

APPLICATION

Whiting Oil and Gas Corporation ("Whiting" or "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" or "COGCC") for an order pooling all interests in the approximate 960-acre drilling and spacing unit in all of Section 1 and the N½ of Section 12, Township 10 North, Range 58 West, 6th P.M., Weld County, Colorado for the development and production from the Niobrara Formation. In support thereof, the Applicant states as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.

Lands"):

2. Applicant owns a leasehold interest in the following lands ("Application

Township 10 North, Range 58 West, 6th P.M. Section 1: All Section 12: N¹/₂

Weld County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On July 9, 2012, the Commission issued Order No. 535-179, which established six approximate 960-acre drilling and spacing units with the option to drill up to four horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any permitted well to be no closer than 600 feet from the unit boundaries and the distance between the treated intervals of any permitted wells to be no closer than 150 feet. The Application Lands are subject to this order.

4. On March 25, 2013, the Commission issued Order No. 535-296, which authorized the drilling of up to eight horizontal wells in twenty-one approximate 640 to 960-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. The Commission further approved the treated interval of the wellbore to be no closer than 200 feet from the treated interval of any other wellbore producing from the Niobrara Formation, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the wellbore no closer than 100 feet from a unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, without exception being granted to the owners of the adjacent or cornering lands the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, then the treated interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands. The Application Lands are subject to this order.

5. On May 6, 2013, the Commission issued Order No. 535-314, which authorized the drilling of up to sixteen horizontal wells in twenty-one approximate 640 to 960-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. The Commission further approved the treated interval of the wellbore to be no closer than 200 feet from the treated interval of any other wellbore producing from the Niobrara Formation, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the wellbore no closer than 100 feet from a unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the wellbore no closer than 100 feet from a unit boundary, then the treated interval of the wellbore no closer than 100 feet from a unit boundary, then the treated interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands. The Application Lands are subject to this order.

6. Applicant drilled the Razor #12-0141H Well (API #05-123-36052) spud September 29, 2012, in SE¼NE¼ of Section 12, Township 10 North, Range 58 West, 6th P.M., Weld County, Colorado with a surface location of 2388' FNL and 662' FEL in the SE¼NE¼ of Section 12, and a bottomhole location of 660' FNL and 660' FEL in Lot 1 of Section 1, Township 10 North, Range 58 West, 6th P.M. The above described horizontal well is designed to test and produce oil, gas and associated hydrocarbons from the Niobrara Formation underlying the Application Lands.

7. Pursuant to the relevant provisions of Section 34-60-116(6) & (7), C.R.S., and COGCC Rule 530, Applicant seeks an order pooling all interests in the Application Lands for the development and operation of the Niobrara Formation.

8. Applicant certifies that, at least 30 days prior to the date of the scheduled protest deadline for this Application, each owner which Applicant was able to locate, not already leased or voluntarily pooled, will be provided with the well proposal and information required by Rule 530 and tendered a reasonable offer to lease (if an unleased mineral owner), or participate and bear costs associated with the drilling and completion of the Razor #12-0141H Well.

9. Applicant requests that a pooling order be entered as a result of this Application and that it be made effective retroactive to the date costs specified in Section 34-60-116(7)(b)(II), C.R.S., were first incurred for the drilling of the Razor #12-0141H Well.

10. Applicant further requests that, for any other well authorized under Commission Order No. 535-314, if any owner to whom notice is delivered as provided in Commission Rule 530 does not elect in writing to lease or participate in such well within the 30-day notice period provided by Commission Rule 530, then such owner shall be deemed non-consenting as to the proposed well, but only if the proposed well is commenced within ninety (90) days after the expiration of the 30-day notice period and completed with due diligence, provided, however, said commencement date may be extended upon written notice by the operator to the other parties for reasons of force majeure.

11. If a proposed well is not commenced within ninety (90) days after expiration of the notice period of thirty (30) days (including any extension thereof caused by force majeure) and completed with due diligence, then written notice proposing such well must be resubmitted to all parties in accordance with Commission Rule 530 as if no prior proposal had been made, and the parties shall have a new 30-day period within which to lease or consent to participate in such well.

12. With respect to any future well drilled in the spacing unit, in order for this pooling order to apply to such well, the operator of the proposed well shall file with the Commission an affidavit stating that the requirements of Commission Rule 530 have been satisfied for such well.

The granting of this Application is in accord with the Oil and Gas Conservation Act, found at Section 34-60-101, *et seq.*, C.R.S., and the Commission Rules.

13. The names and addresses of the interested parties (persons who own an interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto and marked <u>Exhibit A</u>. Applicant certifies that copies of this Application will be served on all locatable interested parties to be pooled within seven (7) days of the date hereof, as required by Commission Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the respective wells, and will be provided with the information required by Rule 530.

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. Pooling all interests in the Application Lands for the development and operation of the Niobrara Formations.

B. Providing that the pooling order is made effective as of the date of this Application, or the date that the costs specified in Section 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of a Niobrara Formation well on the Application Lands, whichever is earlier.

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 authorized well, are pooled by operation of statute, pursuant to Section 34-60-116(7), C.R.S., and made subject to the cost recovery provisions thereof.

D. Providing that for any other well authorized under Commission Order No. 535-314, if any owner to whom notice is delivered as provided in Commission Rule 530 does not elect in writing to lease or participate in such well within the 30-day notice period provided by Commission Rule 530, then such owner shall be deemed non-consenting as to the proposed well, but only if the proposed well is commenced within ninety (90) days after the expiration of the 30day notice period and completed with due diligence, provided, however, said commencement date may be extended upon written notice by the operator to the other parties for reasons of force majeure.

E. Providing that, if a proposed well is not commenced within ninety (90) days after expiration of the notice period of thirty (30) days (including any extension thereof caused by force majeure) and completed with due diligence, then written notice proposing such well must be resubmitted to all parties in accordance with Commission Rule 530 as if no prior proposal had been made, and the parties shall have a new 30-day period within which to lease or consent to participate in such well.

F. Providing that with respect to any future well drilled in the spacing unit, in order for this pooling order to apply to such well, the operator of the proposed well shall file with the Commission an affidavit stating that the requirements of Commission Rule 530 have been satisfied for such well.

G. For such other findings and orders as the Commission may deem proper or advisable in the premises.

Dated this 27th day of November, 2013.

Respectfully submitted, WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: (holo Russell

Stephen J. Sull van Chelsey J. Russell Welborn Sullivan Meck & Tooley, P.C. Attorney for Applicant 1125 - 17th Street, Suite 2200 Denver, CO 80202 303-830-2500 <u>ssullivan@wsmtlaw.com</u> <u>crussell@wsmtlaw.com</u>

Applicant's Address:

1700 Broadway, Suite 2300 Denver, CO 80290-2300

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

VERIFICATION

) ss.

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.

WHITING OIL AND GAS CORPORATION

Scott McDaniel, Regional Landman

Subscribed and sworn to before me this $\underline{-26^{++}}$ day of November, 2013 by Scott McDaniel, Regional Landman for Whiting Oil and Gas Corporation.

Witness my hand and official seal.



Notary Public

My Commission Expires: <u>3/10/15</u>

{00218509.1}

<u>Exhibit A</u>

Applicant:

Whiting Oil & Gas Corporation 1700 Broadway, Suite 2300 Denver, CO 80290-2300

Unleased Mineral Owners:

John R. Royall, Trustee under Will of N.R. Royall 4930 Briarwood Place Dallas, TX 75209

John R. Royall, Trustee under Will of Fannie Mae Royall 4930 Briarwood Place Dallas, TX 75209

Leasehold Owners:

Kerr McGee Oil & Gas Onshore (USA) LLC PO Box 730875 Dallas, TX 75373-0875



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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 December 3, 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.

Kussell

Subscribed and sworn to before me December 3, 2013.

Witness my hand and official seal.

Mussa D. Morman Notary Public My commission expires: <u>8 / 29 / 2017</u>

MELISSA A. MORMAN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894012434 MY COMMISSION EXPIRES AUGUST 29, 2017