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

IN THE MATTER OF THE APPLICATION OF WARD PETROLEUM CORPORATION FOR AN ORDER TO POOL ALL INTERESTS WITHIN AN APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT FOR SECTION 25. TOWNSHIP 1 SOUTH, RANGE 67 WEST, 6<sup>TH</sup> P.M., FOR THE CODELL AND NIOBRARA FORMATIONS. WATTENBERG FIELD. ADAMS COUNTY. COLORADO

CAUSE NO. 407

DOCKET NO. 1406-UP-\_\_\_\_

## AMENDED APPLICATION

)

)

)

COMES NOW, Ward Petroleum Corporation ("**Ward**" or "Applicant") by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado, for an order pooling all interests in an approximate 640-acre drilling and spacing unit for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations in certain lands in the Wattenberg Field, Adams County, Colorado, and in support states as follows:

1. Applicant is duly organized and authorized to conduct business in the State of Colorado.

2. Applicant owns leasehold interests in the following described lands in Adams County, Colorado, containing approximately 640-acres (hereinafter, the "Application Lands"):

#### Township **1 South**, Range **67 West**, 6th P.M. Section 25

3. On April 17, 2014, the Applicant filed a companion application to establish a 640-acre drilling and spacing unit comprised of the Application Lands for production of oil gas and associated hydrocarbons from the Codell and Niobrara Formations. Approval of this pooling application is contingent on Commission approval of the companion spacing application.

4. Applicant proposes to drill and complete the horizontal Schaefer 25-1-4HC to the Codell Formation and the horizontal Schaefer 25-1-3HN wells to the Niobrara Formation (the "Wells") on the Application Lands on a 640-acre unit composed of the Application Lands (the "Unit").

5. Applicant has been unable to obtain consent to voluntary pooling by all interest owners in the proposed Unit. As a result, Applicant requests that all interests in the Unit composed of the Application Lands be involuntarily pooled pursuant to C.R.S. §34-60-116, and as to the Wells, consenting parties be allowed to recover from any non-consenting owner's share of production the penalty costs provided in C.R.S.§ 34-60-116 (7) of the Colorado Oil and Gas Conservation Act.

6. The names and addresses of those persons who own any interest in the mineral estate in the Application Lands, exclusive of overriding royalty interests, according to the information and belief of the Applicant are set forth on **Exhibit A**. Copies of this **Amended** Application shall be served on all such owners within seven (7) days of the date of this **Amended** Application, as required by Commission Rule 503.e.

7. At least thirty (30) days prior to the hearing on this **Amended** Application, the Applicant will have sent all owners listed on **Exhibit A**, who have not previously consented to lease or otherwise participate in the drilling and completion of the Wells, an Authority for Expenditures (AFE) and/or supporting documents which contain all information required by Commission Rule 530.b., and in case of unleased mineral owners, an offer to lease which is reasonable based on the factors listed in Commission Rule 530.c. The Applicant shall also agree to first comply with the requirements of Rule 530.b and c with respect to any subsequent well in the pooled unit, prior to applying the cost recovery provisions of said statute.

8. Applicant anticipates that one or more of such owners will refuse or fail to respond to such offer to lease and/or to participate in the drilling, completion and operation of such Wells, and shall be deemed non-consenting parties under Commission Rule 530.b and c.

9. An order of the Commission pooling all interests in the Unit for production from the Codell and Niobrara Formations shall therefore be necessary in order to afford each owner of an interest in the Unit the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the unit.

10. The granting of the requested order would not be prejudicial to the owners in the Unit and would protect correlative rights.

11. The requested pooling order should be effective as of the date of this **Amended** Application or the date which costs specified by C.R.S. §34-60-116(7)(b) were first incurred by Applicant for the drilling of either of the Wells, whichever is first in time.

# **REQUEST FOR HEARING AND ORDER**

WHEREFORE, Ward prays that this matter be set for hearing on June 16 or 17, 2014, Notice of said Hearing be given as required by law, if no protests are timely received the matter be considered pursuant to Rule 511.b, and the Commission enter an Order pooling all interests in the Unit comprised of the Application Lands with respect to production of the Codell and Niobrara formations, and that such pooling Order:

(1) be upon terms and conditions which are just and reasonable and afford to the owner of each interest the opportunity to recover or receive, without unnecessary expense, his just and equitable share of oil and gas;

(2) provide that production obtained from the pooled tract be allocated to each owner therein on the basis of the proportion that the number of mineral acres held by each owner in the Unit bears to the total number of mineral acres within the Unit;

(3) provide that with respect to the Wells the consenting parties be allowed to recover from any non-consenting owner's share of production the penalty costs as provided in C.R.S. § 34-60-116 (7)(b); and

(4) require the operator to provide each non-consenting interest owner in the Unit with monthly statement of costs incurred together with the quantity of oil and gas produced and proceeds realized, pursuant to C.R.S. §34-60-116(8).

RESPECTFULLY SUBMITTED this  $\frac{29^{-H}}{2}$  day of April, 2014.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: J. Michael Morgan #7279 Justin Plaskov #45053 950 South Cherry Street, Suite 900

(303) 753-9000 (303) 75-9997 (fax)

Denver, Colorado 80246

mmorgan@lohfshaiman.com

Address of Applicant:

Ward Petroleum Corporation 215 West Oak Street, Suite 1000 Fort Collins, Colorado 80521

#### VERIFICATION

### STATE OF COLORADO )

) ss.

### CITY & COUNTY OF DENVER )

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is contract landman for the Applicant, Ward Petroleum Corporation and maintains his office at 1800 Glenarm Place, Suite 703, Denver, CO 80202.

2. He has read the within **Amended** Application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge, information and belief.

Further Affiant sayeth not.

Ben Schuessler

### EXHIBIT "A"

### TO POOLING APPLICATION OF WARD PETROLEUM CORPORATION

#### Applicant:

Ward Petroleum Corporation 215 West Oak Street, Suite 1000 Fort Collins, CO 80521

Applicant's Attorney:

J. Michael Morgan, Esq. Lohf Shaiman Jacobs Hyman & Feiger PC 950 South Cherry Street, Suite 900 Denver, CO 80246

Local Government Designee:

Gordon Stevens, Construction Manager Adams County Public Works 4430 South Adams County Parkway Brighton CO 80601-8218

#### **Unleased Mineral Owners:**

Fulton Irrigating Ditch Company 25 S 4<sup>th</sup> Avenue Brighton CO 80601

Centennial Mineral Holdings 5950 Cedar Springs Rd Dallas TX 75235

Sasaki Family Partnership LLLP c/o Kathy K Yoshimoto 697 Voiles Drive Brighton CO 80601

Marilyn B. Walker and Carolyn M Read 1623 Silverado Lane Ft Lupton CO 80621

Gene N & Janice D Read 13442 E 132<sup>nd</sup> Brighton CO 80601

Robert L Warner PO Box 9 Brighton CO 80601

Noe Valeriano 12890 Tucson Street Brighton CO 80601 Rozelle W Hezlep 12890 Tucson Street Brighton CO 80601

City of Brighton c/o Chris Ernest 500 S 4<sup>th</sup> Avenue Brighton CO 80601

Michael Vaughn 12650 Tucson Street Henderson CO 80640

US Department of Interior Bureau of Land Management 2850 Youngfield Street Lakewood CO 80215

Colorado Highway Commission 4201 E Arkansas Avenue Denver CO 80222

Sampson Family Limited Partnership PO Box 468 Brighton CO 80601

Neal N Wall 241 Tamalpais Drive Mill Valley CA 94925 Marjorie A Anderson 6016 S Monaco Way Englewood CO 80111

Warren & Shirley Wall 287 S 13<sup>th</sup> Avenue Brighton CO 80601

Catherine A Stevens and Erlinda M Valeriano 12890 Tucson Street Brighton CO 80601

### Working Interest Owners:

Grizzly Petroleum Company 1801 Broadway #500 Denver CO 80202

Anadarko E&P Company 1099 18<sup>th</sup> Street #1800 Denver CO 80202

Sharp Resources 1801 Broadway #500 Denver CO 80202

#### **Leased Mineral Owners:**

Lois E Wall 1831 Weld County Road Hudson CO 80642

Kenneth O Ehlen PO Box 1233 Northville NY 12134

HF Investments Company 201 University Blvd #20 Denver CO 80206

Gertrude L Fike 13022 E 136<sup>th</sup> Avenue Brighton CO 80601

John H & Cynthia I Thorngren 12980 E 136<sup>th</sup> Avenue Brighton CO 80601 Joe Sasaki et al 1821 County Rd Unit Brighton CO 80603

E-470 Public Hwy Authority 22470 E 6<sup>th</sup> Parkway Aurora CO 80018

Katherine & Robert Sakaguchi 1208 Brighton Drive Brighton CO 80601

Louis J & Esther M DeCrescentis 13372 E 124<sup>th</sup> Avenue Brighton CO 80601

Raymond L DeCrescentis 767 S 10<sup>th</sup> Avenue Brighton CO 80601

Robert H Arlt 1240 W 500 S North Judson IN 46366

Market Place 85 GP 8791 Circle Drive Westminster CO 80030

Okada Farms Inc. 12670 E 132<sup>nd</sup> Brighton CO 80601

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

IN THE MATTER OF THE APPLICATION OF WARD PETROLEUM CORPORATION FOR AN ORDER TO POOL ALL INTERESTS WITHIN AN APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT FOR SECTION 25, TOWNSHIP 1 SOUTH, RANGE 67 WEST, 6TH P.M., FOR THE CODELL NIOBRARA FORMATIONS. AND WATTENBERG COUNTY, FIELD. ADAMS COLORADO

CAUSE NO. 407

DOCKET NO. 1406-UP-\_\_\_\_

# **AFFIDAVIT OF MAILING**

**STATE OF COLORADO** 

ss.

**CITY & COUNTY OF DENVER** 

J. Michael Morgan, of lawful age and being first duly sworn upon his oath, states and declares:

That he is the attorney for Ward Petroleum Corporation in the above-captioned matter. On April  $29^{th}$ , 2014, he caused a copy of the attached **Amended** Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** to said **Amended** Application.

J. Michael Morea

Subscribed and sworn to before me this 291 day of April, 2014.

Witness my hand and official seal. My commission expires: 35/15



**Notary Public**