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

IN THE MATTER OF AN APPLICATION BY ENCANA)	
OIL & GAS (USA) INC. FOR AN ORDER POOLING ALL)	CAUSE NO. 407
INTERESTS IN AN APPROXIMATE 240-ACRE)	
ESTABLISHED HORIZONTAL WELLBORE SPACING)	DOCKET NO. To be assigned
UNIT LOCATED IN SECTIONS 11 AND 14, TOWNSHIP)	
2 NORTH, RANGE 68 WEST, 6 TH P.M., FOR THE)	
DEVELOPMENT/OPERATION OF THE CODELL)	
FORMATION, WATTENBERG FIELD, WELD COUNTY,)	
COLORADO)	

APPLICATION

Encana Oil & Gas (USA) Inc., acting by and through its authorized agent, Encana Services Company, Ltd. ("Encana" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order pooling all interests in an approximate 240-acre horizontal wellbore spacing unit established for certain portions of Sections 11 and 14, Township 2 North, Range 68 West, 6th P.M., for development and operation of the Codell Formation. In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
 - 2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 2 North, Range 68 West, 6th P.M.

Section 11:

W½E½

Section 14: W¹/₂NE¹/₄

Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands" and depicted in Exhibit A attached hereto.

- 3. 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. The Application Lands are subject to Rule 318A. for the Codell Formation.
- 4. Pursuant to Rule 318A., Applicant designated an approximate 240-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the Grant Hurt 1C-14H-G268 well (API No. 05-123-38091) ("Well") for production of oil, gas and associated hydrocarbons from the Codell Formation. Applicant notified all owners in the proposed wellbore spacing unit

pursuant to Rule 318A.e.(6). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing unit within the 30-day response period.

- 5. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in an approximate 240-acre horizontal wellbore spacing unit established for the Application Lands for the development and operation of the Codell Formation.
- 6. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application.
- 7. Further, Applicant requests 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 Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.
- 8. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, et seq., C.R.S., and the Commission rules.
- 9. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
- 10. That the names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application within the 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. Pooling all interests in an approximate 240-acre horizontal wellbore spacing unit established for the Application Lands for the development and operation of the Codell Formation, with the pooling order made effective as of the date of this Application.
- B. 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 Well, are pooled by operation of statute, pursuant to §34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 20 day of August, 2014.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC. acting by and through its authorized agent, Encana Services Company, Ltd.

By:

Robert A. Willis (Colorado Bar No. 26038) Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C. Attorneys for Applicant 216 16th Street, Suite 1100 Denver, Colorado 80202 (303) 407-4499

rwillis@bwenergylaw.com jfulcher@bwenergylaw.com

Address of Applicant
Encana Oil & Gas (USA) Inc.
ATTN: Damian Westerman
307 17th Street, Suite 1700
Denver, Colorado 80202

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

Damian Westerman, Senior Land Negotiator for Encana Oil & Gas (USA) Inc., 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.

ENCANA OIL & GAS (USA) INC. acting by and through its authorized agent, Encana Services Company, Ltd.

Damian Westerman

Subscribed and sworn to before me this <u>26</u>th day of August, 2014, by Damian Westerman, Senior Land Negotiator for Encana Oil & Gas (USA) Inc.

Witness my hand and official seal.

My commission expires: 9-27-2017

JENNIFER PITTENGER
Notary Public
State of Colorado
Notary ID 20134062771
My Commission Expires Sep 27, 2017

Notary Public

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

OIL & GAS (USA) INC. FOR AN ORDER POOLING ALL INTERESTS IN AN APPROXIMATE 240-ACRE ESTABLISHED HORIZONTAL WELLBORE SPACING UNIT LOCATED IN SECTIONS 11 AND 14, TOWNSHIP 2 NORTH, RANGE 68 WEST, 6 TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO CAUSE NO DOCKET NO. To be assigned LOCATED IN SECTIONS 11 AND 14, TOWNSHIP COLORADO CAUSE NO DOCKET NO. To be assigned LOCATED IN SECTIONS 11 AND 14, TOWNSHIP COLORADO COLORADO CAUSE NO DOCKET NO. To be assigned LOCATED IN SECTIONS 11 AND 14, TOWNSHIP COLORADO CAUSE NO DOCKET NO. To be assigned COLORADO CAUSE NO DOCKET NO. To be assigned COLORADO COLORADO					
AFFIDAVIT OF MAILING					
STATE OF COLORADO)					
)ss. CITY AND COUNTY OF DENVER)					
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:					
That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Encana Oil & Gas (USA) Inc., and on or before September 4, 2014, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.					
Jennifer Pittenger					
Subscribed and sworn to before me this $\frac{2 e^{-}}{2}$ day of August, 2014.					
Witness my hand and official seal.					
TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026 MY COMMISSION EXPIRES OCT.4, 2017 Notary Public					

Exhibit A Application Map T2N, R68W Weld County α T2N, R68W Application Lands - ∞

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this Exhibit B.

Encana Oil & Gas (USA) Inc. 307 17th Street, Suite 1700 Denver, Colorado 80202

Del Camino East Properties LLC 9116 W Bowles Ave STE 2 Littleton, CO 80123-3476

THF Firestone Development, L.L.C. 2127 Innerbelt Business Ctr Dr Ste 310 St Louis, MO 63114

K Triple M, LLC to March 14, 2016, then I & J Partnership LP 746 Megan Ct. Longmont, CO 80501

Town of Firestone, Colorado 151 Grant Ave PO Box 100 Firestone, CO 80520-0100

Wilbur R. Hurt and Shirley J. Hurt, Trustees of the Hurt Family Revocable Trust dated June 12, 2008 14278 Weld County Road 7 Mead, CO 80542

V & K Powell Resources LLC 925 Glenarbor Cir Longmont, CO 80504

WF Quarter Circle, LLC c/o James T Flynn 9163 County Road 28 Platteville, CO 80651

Beatty & Wozniak, P.C. 216 16th Street, Suite 1100 Denver, Colorado 80202

Del Camino East Properties LLC 9116 Bowles Ave Unit 15 Littleton, CO 80123

THF Firestone Development, L.L.C. QJRNR Incorporator, Inc. 950 17th Street, Suite 1600 Denver, CO 80202

Sun Secured Financing LLC 27777 Franklin Rd Ste 200 Southfield, MI 48034

Home Depot U.S.A., Inc. 3800 W. Chapman Ave. Orange, CA 92868 Attn: Beverly Metz

Sun Communities Operating Limited Partnership 27777 Franklin Rd Ste 200 Southfield, MI 48034

Richard Pierro 4739 County Road 22 Longmont, CO 80504

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

IN THE MATTER OF AN APPLICATION BY ENCANA OIL & GAS (USA) INC. FOR AN ORDER POOLING ALL INTERESTS IN AN APPROXIMATE 240-ACRE ESTABLISHED HORIZONTAL WELLBORE SPACING UNIT LOCATED IN SECTIONS 11 AND 14, TOWNSHIP 2 NORTH, RANGE 68 WEST, 6 TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO CAUSE NO. 407 CAUSE NO. 407 INTAKE NO. 53 TOWNSHIP 2 NORTH, RANGE 68 WEST, 6 TH OF THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO	rned
SUPPLEMENTAL AFFIDAVIT OF MAILING	
STATE OF COLORADO)	
)ss. CITY AND COUNTY OF DENVER)	

Jillian Fulcher, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Encana Oil & Gas (USA) Inc., and that on or before September 11, 2014 she caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed below.

Great Western Oil & Gas Company 1801 Broadway, Suite 500 Denver, CO 80202 Kerr-McGee Oil & Gas Onshore L.P. Attn: Jason Rayburn 1099 18th Street, Suite 12017 Denver CO 80202

Jillian Fulcher

Subscribed and sworn to before me September 11, 2014.

Witness my hand and official seal.

TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026 MY COMMISSION EXPIRES OCT.4, 2017

Notary Public