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

IN THE MATTER OF AN APPLICATION BY CIRQUE	)
RESOURCES LP FOR AN ORDER VACATING AN	) CAUSE NO. 535
APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT	)
ESTABLISHED FOR SECTION 28, TOWNSHIP 11 NORTH,	) DOCKET NO. To be assigned
RANGE 67 WEST, 6 <sup>TH</sup> P.M., AND ESTABLISHING AN	)
APPROXIMATE 1,280-ACRE DRILLING AND SPACING	)
UNIT FOR SECTIONS 21 AND 28, TOWNSHIP 11 NORTH,	)
RANGE 67 WEST, 6 <sup>TH</sup> P.M., FOR HORIZONTAL WELL	
DEVELOPMENT OF THE CODELL FORMATION,	)
UNNAMED FIELD, WELD COUNTY, COLORADO	)

#### APPLICATION

Cirque Resources LP ("Cirque" 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: (1) vacating the approximate 640-acre drilling and spacing unit established for Section 28, Township 11 North, Range 67 West, 6<sup>th</sup> P.M., for production of oil, gas and associated hydrocarbons from the Codell Formation; and (2) establishing an approximate 1,280-acre drilling and spacing unit for Sections 21 and 28, Township 11 North, Range 67 West, 6th P.M., and authorizing the drilling of up to four (4) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation. In support of its Application, Applicant states and alleges as follows:

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

Township 11 North, Range 67 West, 6th P.M. Section 21: All

Section 28: All

These lands are hereinafter referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

Rule 318.a. of the Commission Rules provides a well to be drilled 2,500 feet or greater shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by the Commission upon hearing. Section 21, Township 11 North, Range 67 West, 6<sup>th</sup> P.M. is subject to this Rule for the production of oil, gas and associated hydrocarbons from the Codell Formation.

### Vacating the 640-acre Drilling Unit for Horizontal Well Development of the Codell Formation

On or about August 12, 2010, the Commission entered Order No. 535-2 which, among other things, established 640-acre drilling and spacing units for certain lands, including Section 28, Township 11 North, Range 67 West, 6th P.M., and approved one horizontal well for the Codell Formation and one horizontal well for the Niobrara Formation for each unit, with the permitted wells located no closer than 600 feet from the boundaries of the unit.

5. Applicant requests the Commission vacate the approximate 640-acre drilling and spacing unit previously established for Section 28, Township 11 North, Range 67 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation. This request is made to allow for horizontal well development of the Application Lands with horizontal wellbores with long laterals which will cross the section line between the Application Lands, leading to more economical and efficient recovery of the resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

## Establishment of a 1,280-acre Drilling Unit for Horizontal Well Development of the Codell Formation

- 6. Applicant requests the Commission establish the Application Lands as an approximate 1,280-acre drilling and spacing unit for the Codell Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Codell Formation.
- 7. Applicant requests it be authorized to drill and complete up to four (4) horizontal wells in the approximate 1,280-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.
- 8. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 300 feet from the proposed unit boundaries with an inter-well setback of not less than 660 feet from the treated interval of a well producing from the Codell Formation, without exception being granted by the Director.

\* \* \*

- 9. Applicant states that any horizontal wells to be drilled under this Application will be drilled from the surface of the drilling unit, or on adjacent lands with consent of the landowner, without exception being granted by the Director.
- 10. 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.
- 11. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to being bound by said oral order.
- 12. That the names and addresses of the interested parties (owners within the proposed drilling unit and those owners of contiguous or cornering tracts which may be affected by the change in minimum setbacks) according to the information and belief of the Applicant are set forth in <a href="Exhibit B">Exhibit B</a> 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. Vacating the approximate 640-acre drilling and spacing unit established for Section 28, Township 11 North, Range 67 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation.
- B. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of up to four (4) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 300 feet from the outer boundary of the proposed unit and an inter-well setback of not less than 660 feet from the treated interval of any well being drilled or producing from the Codell Formation, without exception being granted by the Director.
- C. Requiring that any permitted wells to be drilled under this Application should be drilled from the surface of the drilling unit, or on adjacent lands with consent of the landowner, without exception being granted by the Director.
- D. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.
- E. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this day of October, 2014.

Respectfully submitted,

CIRQUE RESOURCES LP

Bv:

Robert A. Willis (Colorado Bar No. 26308)

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

Applicant's Address: Cirque Resources LP Mark Seligman, Landman 475 17<sup>th</sup> Street, Suite 1600 Denver, CO 80202

#### **VERIFICATION**

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

Mark Seligman, Landman for Cirque Resources LP, 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.

CIRQUE RESOURCES LP

Mark Seligman

Subscribed and sworn to before me this \_\_\_\_\_ day of October, 2014, by Mark Seligman, Landman for Cirque Resources LP.

Witness my hand and official seal.

My commission expires: 12 201

Notary Public

MALEA BROYLES
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144028444
MY COMMISSION EXPIRES JULY 21, 2018

Application Lands -

Sections 21 and 28, T11N, R67W Weld County, Colorado

**Exhibit A**Application Map

Application Map	ы	∞	17	20	29	32	£,
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#### **EXHIBIT B**

#### INTERESTED PARTIES

The names and addresses of the interested parties (owners within Sections 21 and 28, Township 11 North, Range 67 West, 6<sup>th</sup> P.M., and those owners of contiguous or cornering tracts which may be affected by the change in minimum setbacks) according to the information and belief of the Applicant are set forth in this Exhibit B.

Cirque Resources LP 475 17<sup>th</sup> Street, Suite 1600 Denver, CO 80202

Cirque Brennsee, LLC 475 17th Street Suite 1600 Denver, CO 80202

Chesapeake Exploration, LLC PO Box 18496 Oklahoma City, OK 73154-0496

EOG Resources, Inc. 600 17th Street Suite 1000N Denver, CO 80202

McCombs Energy, LTD 5599 San Felipe Suite 1200 Houston, TX 77056

Rubicon Oil & Gas II, LP 508 W. Wall Avenue Suite 500 Midland, TX 79701

Keystone O & G Co., LLC 201 Main Street Suite 2700 Fort Worth, TX 76102

SRBI O & G Co., LLC 201 Main Street Suite 2700 Fort Worth, TX 76102

R.K. Pinson & Associates, LLC

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

Noble Energy, Inc. 1625 Broadway Suite 2200 Denver, CO 80202

Anadarko Petroleum Corporation 1099 18th Street Suite 1800 Denver, CO 80202

Lincoln Energy LLC 1800 Glenarm Pl. Suite 703 Denver, CO 80202

OOGC America, Inc. BOX 4705 N 25 Beijing, China 100010CN

BMT O & G Co., LLC 201 Main Street Suite 2700 Fort Worth, TX 76102

LMBI O & G Co., LLC 201 Main Street Suite 2700 Fort Worth, TX 76102

Thru Line O & G Co., LLC 201 Main Street Suite 2700 Fort Worth, TX 76102

Randy B. Lehr, Trustee of the Victor Lehr Trust,

621 17th St Suite 1555 Denver, CO 80293

Augusta June Tolle 105 E 2nd St 81 Maxwell, NE 69151

Irene Ruth Couch 20208 North Laramie County Rd 5 Carr, CO 80612

Raymond Bradley Hays 9303 County Road 124 Carr, CO 80612-9408

Viva M. Long, fka Viva Myrtle Morrison 308 West Idaho Cheyenne, WY 82009

Marvin Mosness, aka Marvin D. Mosness 9285 Stevenson Avenue Carr, CO 80612-9402

Muriel Kay Shaffer 9114 Stevenson Avenue Carr, CO 80612-9402

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

Tom Parko Weld County 1555 North 17th Street Greeley, CO 80631 dated 6/12/1996 Rural Route 1, Box 98 Texhoma, OK 73949

Energy & Exploration Partners, LLC P.O. Box 471428 Fort Worth, TX 76147

State of Colorado, acting by and through the State Board of Land Commissioners 1127 Sherman Street Suite 300 Denver, CO 80203

Eugene R. Morrison 681 Bates Avenue Englewood, CO 80110

Arvid R. DePorter 14503 County Road 108 Nunn, CO 80648-9603

Mark A. Wagner 9198 Stevenson Avenue Carr, CO 80612-9402

The heirs and devisees of David J. Clark and Ruby M. Clark (1948 Reservation), appears deceased No Address Found of Record

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

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DEVELOPMENT OF THE CODELL FORMATION, )
UNNAMED FIELD, WELD COUNTY, COLORADO )
AFFIDAVIT OF MAILING
STATE OF COLORADO
STATE OF COLORADO ) ss.
CITY AND COUNTY OF DENVER )
CITTAND COUNTED BEAVER
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:
That the in a Legal Assistant at Dootte, & Warniels D.C. attempoye for Cingue Decourage I.D. and
That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Cirque Resources LP, and on or before October 23, 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.
States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.
land / Tullie
Jennifer Pittenger
an O
Subscribed and sworn to before me this <u>la</u> day of October, 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