OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF GREAT WESTERN OPERATING COMPANY, LLC FOR AN ORDER TO POOL ALL INTERESTS IN TWO APPROXIMATE 320-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS IN SECTION 18, TOWNSHIP 1 SOUTH, RANGE 67 WEST, 6TH P.M. FOR THE NIOBRARA FORMATION, WATTENBERG FIELD, ADAMS COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Great Western Operating Company, LLC ("Applicant"), by its attorneys, Jost & Shelton Energy Group, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests within two approximate 320-acre designated horizontal Wellbore Spacing Units (the "Wellbore Spacing Units" or the "WSUs"), as defined below, for the Willow Bend LD 18-37HN Well (API No. 05-001-09775) and the Willow Bend LD 18-23HN Well (API No. 05-001-09773) ("Wells"), for the development of the Niobrara Formation on the following described lands:

Township 1 South, Range 67 West, 6th P.M. Section 18: E½

Willow Bend LD 18-37HN Well

WSU #1

Township 1 South, Range 67 West, 6th P.M. Section 18: E½

Willow Bend LD 18-23HN Well

WSU #2

320 acres, more or less, Adams County, CO ("Application Lands")

In support thereof, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
 - Applicant owns certain leasehold interests in the Application Lands.
- 3. On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.
- 4. On November 16, 1992, the Commission approved Order No. 499-15, which, among other things, provided that, as to the Application Lands, and other lands,

the location of all wells drilled to the Dakota and "J" Sand Formations underlying areas subject to Cause Nos. 407, 493 or 496 and at an authorized location pursuant to Rule 318 or Cause Nos. 499 or 232 shall be automatically approved, without hearing, as an authorized location for production from the Codell, Niobrara, Sussex or Shannon Formations, provided various conditions are met.

- 5. 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 the drilling of horizontal wells.
- 6. Applicant designated the approximate 320-acre horizontal Wellbore Spacing Unit for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation pursuant to Rule 318A and notified the appropriate parties under Rule 318A.
- 7. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests within WSU #1, including but not limited to, any nonconsenting interests and leased mineral interests, in the Application Lands in the Niobrara Formation underlying the following approximate 320-acre Wellbore Spacing Unit for the Willow Bend LD 18-37HN Well:

Township 1 South, Range 67 West, 6th P.M. Willow Bend LD 18-37HN Well Section 18: E½ WSU #1

- 8. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Willow Bend LD 18-37HN Well to the Niobrara Formation on the Application Lands.
- 9. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests within WSU #2, including but not limited to, any nonconsenting interests and leased mineral interests, in the Application Lands in the Niobrara Formation underlying the following approximate 320-acre Wellbore Spacing Unit for the Willow Bend LD 18-23HN Well:

Township 1 South, Range 67 West, 6th P.M.
Section 18: E½

Willow Bend LD 18-23HN Well
WSU #2

10. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Willow Bend LD 18-23HN Well to the Niobrara Formation on the Application Lands.

- 11. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled, including leased mineral interest owners, within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty-five (35) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Well, and will be provided with the information required by Rule 530 as applicable. The list of such interested parties is attached hereto as Exhibit A.
- 12. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit should be pooled for the orderly development of the Niobrara Formation, including any nonconsenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

- A. Pooling all interests in an approximate 320-acre designated horizontal Wellbore Spacing Unit established for the Application Lands for development of the Niobrara Formation.
- B. As to WSU #1, providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Willow Bend LD 18-37HN Well to the Niobrara Formation on the Application Lands.
- C. As to WSU #2, providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Willow Bend LD 18-23HN Well to the Niobrara Formation on the Application Lands.
- D. 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 C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to the Well drilled to develop the Niobrara Formation in the Wellbore Spacing Unit composed of the Application Lands.
- E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in December 2014, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: October <u>//</u>, 2014.

Respectfully submitted:

Great Western Operating Company, LLC

By:

Jamie L. Jost James P. Parrot Jost & Shelton Energy Group, P.C. Attorneys for Applicant 1675 Larimer Street, Suite 420 Denver, Colorado 80202 (720) 379-1812

Applicant's Address:

Great Western Operating Company, LLC ATTN: Matt Acree 1801 Broadway, Suite 500 Denver, CO 80202

VERIFICATION

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

Matt Acree, of lawful age, being first duly sworn upon oath, deposes and says that he is the Landman 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.

> **Matt Acree** Landman

Great Western Operating Company, LLC

Subscribed and swom to before me this 16th day of October 2014. Witness my hand and official seal.

My commission expires:

JANET C WILLSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 20024018949
MY COMMISSION EXPIRES JUNE 11, 2018

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 POOL ALL INTERESTS IN TWO APPROXIMATE 320-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS IN SECTION 18, TOWNSHIP 1 SOUTH, RANGE 67 WEST, 6TH P.M. FOR THE NIOBRARA FORMATION, WATTENBERG FIELD, ADAMS COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING

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

I, Jamie L. Jost of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for Great Western Operating Company, LLC, and that on or before the 23rd day of October, 2014, 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.

Jamie I Jost

Subscribed and sworn to before me this 23 day of October 2014. Witness my hand and official seal.

My commission expires:

Notary Public

DANIELLE E CARROLL Notary Public State of Colorado Notary ID 20134059312 My Commission Expires Sep 18, 2017

Exhibit A Willow Bend LD 18-37HN Well Willow Bend LD 18-23HN Well

Willow Bend, Inc. 3168 5th Street Boulder, CO 80304

James Postle 3168 5th Street Boulder, CO 80304

Niobrara Development Partners, LLC 1700 Broadway, Suite 650 Denver, CO 80290

PDC Energy, Inc. 1775 Sherman Street, Suite 3000 Denver, CO 80203

Grizzly Petroleum Company, LLC 1801 Broadway, Suite 500 Denver, CO 80202