

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

IN THE MATTER OF THE APPLICATION OF)	
CAERUS WASHCO LLC FOR AN ORDER TO)	
ESTABLISH AN APPROXIMATE 640-ACRE)	Cause No.
DRILLING AND SPACING UNIT AND)	
APPROVE UP TO TWENTY-EIGHT WELLS)	Docket No.
FOR SECTION 17, TOWNSHIP 5 NORTH,)	
RANGE 60 WEST, 6TH P.M., FOR THE)	
CODELL AND NIOBRARA FORMATIONS,)	
UNKNOWN FIELD, MORGAN COUNTY,)	
COLORADO)	

APPLICATION

Caerus WashCo LLC (operator # 86610) ("Applicant"), by and through its attorneys, Davis Graham & Stubbs LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission"), pursuant to C.R.S § 34-60-116, for an order to establish an approximate 640-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations in the following lands:

Township 5 North, Range 60 West, 6th P.M.
Section 17: All

Morgan County, Colorado (collectively, the "Application Lands").

In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission.
2. Applicant owns substantial leasehold interests in the Application Lands. A reference map of the Application Lands is attached as Exhibit A.
3. Rule 318.a. of the Rules and Regulations of the Commission requires that wells drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line, and 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 order of the Commission upon hearing.
4. Applicant requests that the Commission establish an approximate 640-acre drilling and spacing unit underlying the Application Lands for the development and operation of the Codell and Niobrara Formations.
5. Applicant requests that the Commission authorize up to twenty-eight horizontal wells within the unit, with twenty-four horizontal wells to be drilled to the Niobrara Formation and four horizontal wells to be drilled to the Codell Formation, with the productive interval of each such wellbore located no closer than 600 feet from the unit boundaries, no closer than 150 feet from the productive interval of any other wellbore located within the Codell Formation or the same bench of the Niobrara Formation in the unit, and no closer than 50 feet from the productive interval of any other

wellbore located in a Niobrara Formation bench above or below the Niobrara Formation bench where that wellbore is located in the unit, without exception being granted by the Director.

6. Applicant requests that the Commission authorize up to four wellpads within the unit or upon adjacent lands.

7. Applicant asserts that the proposed drilling and spacing unit will allow for the economic and efficient drainage of the Codell and Niobrara Formations, will prevent waste, will not adversely affect correlative rights, and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. The proposed 640-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the Codell and Niobrara Formations.

8. Pursuant to Rule 507.b.(1), the names and addresses of the interested parties to this Application are set forth in Exhibit B, and the undersigned certifies that copies of this Application shall be served on each interested party 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 the Commission enter its order:

A. Establishing an approximate 640-acre drilling and spacing unit comprised of the Application Lands for the development and operation of the Codell and Niobrara Formations;

B. Authorizing up to twenty-eight horizontal wells within the unit, with twenty-four horizontal wells to be drilled to the Niobrara Formation and four horizontal wells to be drilled to the Codell Formation, with the productive interval of each wellbore located no closer than 600 feet from the unit boundaries, no closer than 150 feet from the productive interval of any other wellbore located within the Codell Formation or the same bench of the Niobrara Formation in the unit, and no closer than 50 feet from the productive interval of any other wellbore located in a Niobrara Formation bench above or below the Niobrara Formation bench where that wellbore is located in the unit, without exception being granted by the Director;


C. Authorizing up to four wellpads within the unit or upon adjacent lands; and

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

Dated: February 12, 2015

Respectfully submitted,

DAVIS GRAHAM & STUBBS LLP

By: 

David Neslin

Greg Nibert Jr.

Davis Graham & Stubbs LLP

Attorney for Applicant

1550 17th Street-Suite 500

Denver, CO 80202

Address of Applicant

Caerus WashCo LLC

Attn: Jeff Grisham

600 17th Street, Suite 1600N

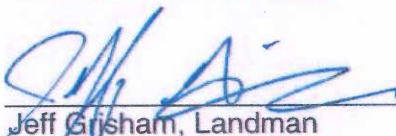
Denver, CO 80202

VERIFICATION

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

Jeff Grisham, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman for Caerus WashCo 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.

CAERUS WASHCO LLC

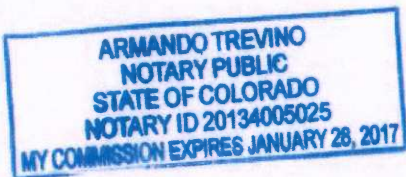


Jeff Grisham, Landman

Subscribed and sworn to before me this 11th day of February, 2015.

Witness my hand and official seal.

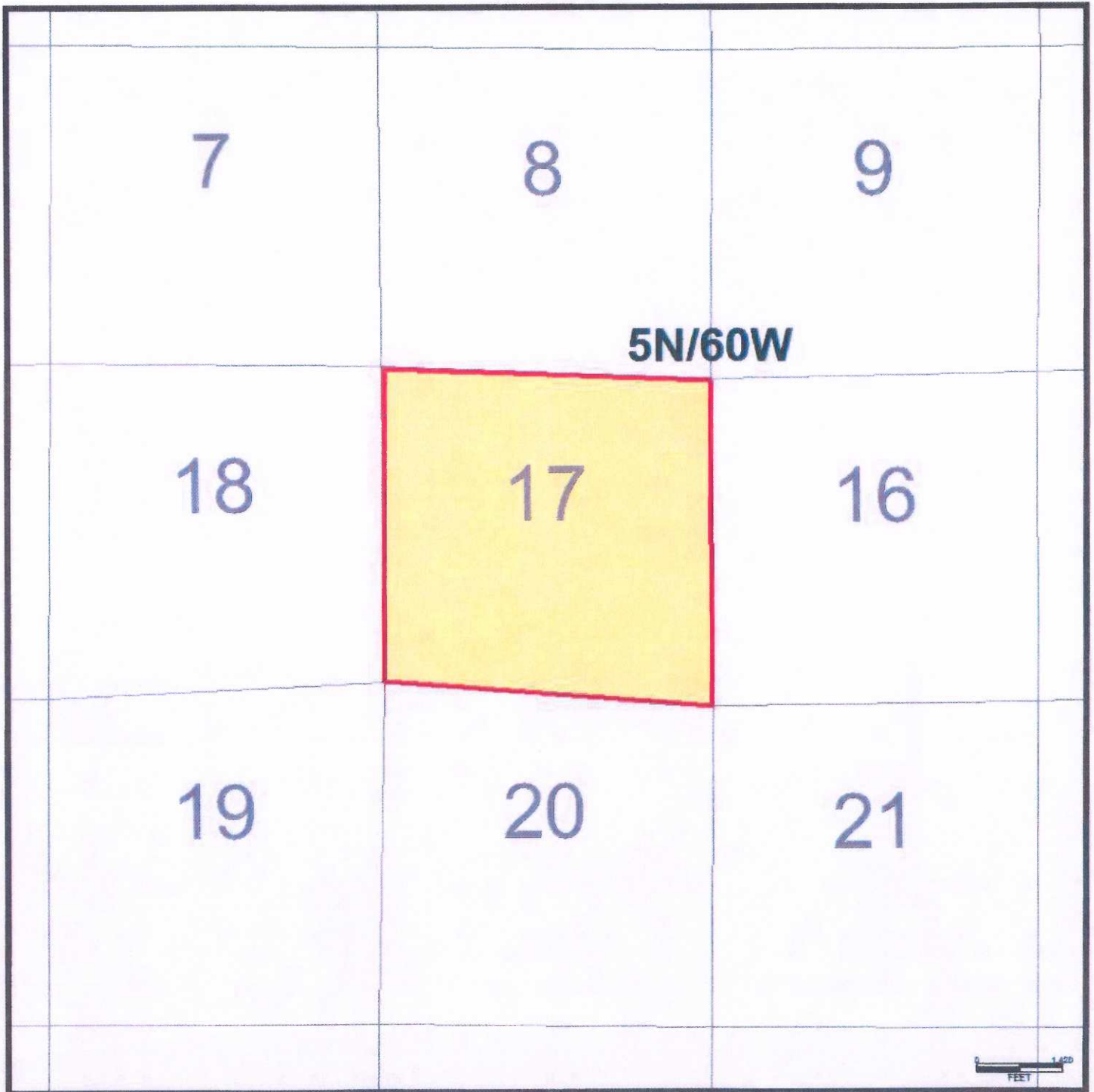
My commission expires: January 28, 2017



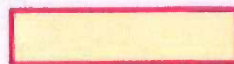


Notary Public

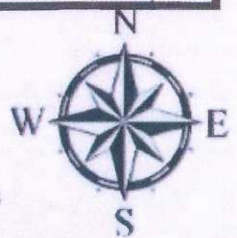
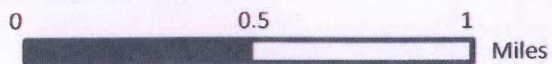
EXHIBIT A



Legend



Spaced Lands



Spacing Unit Map
Exhibit A
02/11/2015

5N-60W, Sec 17: All
640 Acres more or less

Exhibit B
Interested Parties

Caerus WashCo LLC
600 17th St., Suite 1600N
Denver, CO 80202

Caerus Weldco Resources LLC
600 17th St., Suite 1600N
Denver, CO 80202

Orchard Ranch, LLC
1998 County Rd. W.7
Orchard, CO 80649

Ruth E. Bowen Harrison
6025 E. 17th Ave.
Denver, CO 80220

Donald W. Bowen
529 Deines Court
Fort Collins, CO 80525

John Crosthwait
Morgan County Planning and Zoning
231 Ensign Street
Fort Morgan, CO 80701

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

Kent Kuster
Oil & Gas Consultant Coordinator
CDPHE
4300 Cherry Creek Drive South
Denver, CO 80246-1530

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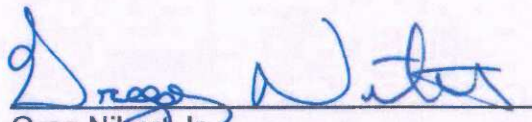
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COLORADO)

AFFIDAVIT OF MAILING

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

Greg Nibert Jr., of lawful age, and being first duly sworn upon his oath, states and declares:

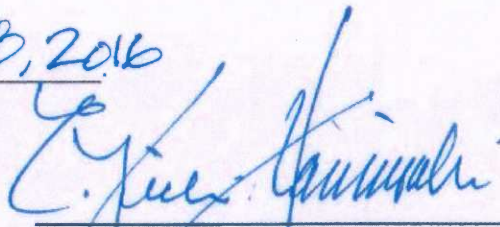
That he is an attorney for Caerus WashCo, LLC, and that on or before February 19, 2015, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.


Greg Nibert Jr.

Subscribed and sworn to before me February 12, 2015.

Witness my hand and official seal.

My commission expires: FEB. 8, 2016


Notary Public

