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

IN THE MATTER OF THE APPLICATION OF )  
PICEANCE ENERGY, LLC FOR AN ORDER )  
ESTABLISHING AN APPROXIMATE 323.72-ACRE )  
DRILLING AND SPACING UNIT FOR THE WILLIAMS )  
FORK AND ILES FORMATIONS FOR CERTAIN LANDS )  
IN SECTION 19, TOWNSHIP 9 SOUTH, RANGE 93 WEST, )  
MESA COUNTY, COLORADO )

CAUSE NO. \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

APPLICATION

Piceance Energy, LLC (Operator Number 10433) ("Piceance"), through its attorneys, Bjork Lindley Little PC, 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 establishing an approximate 323.72-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations covering certain lands in Mesa County, Colorado. In support of its Application, Piceance states as follows:

1. Piceance is a Delaware limited liability company duly organized and authorized to conduct business in the State of Colorado. Piceance is an operator in good standing with the Commission.

2. Piceance owns substantial oil and gas leasehold interests in the following lands:

Township 9 South, Range 93 West of the 6th P.M.  
Section 19: NE¼, NE¼NW¼, Lot 1, Lot 2, Lot 3

Mesa County, Colorado (the "Application Lands"). The Application Lands comprise approximately 323.72 acres. A reference map of the Application Lands is attached as Exhibit A.

3. The records of the Commission reflect that no wells have produced or are currently producing oil, gas and hydrocarbons from the Application Lands. One well is located on the Application Lands but it produces from other lands.

4. The records of the Commission reflect that the Application Lands are subject to well density and location rules established by Order 369-5. But no order has been issued creating a drilling and spacing unit for the Application Lands.

5. Lands near and adjacent to the Application Lands are spaced in a uniform manner and are subject to several prior orders of the Commission establishing nearby drilling and spacing units. These orders include, but are not limited to, Order No. 369-5 (density) and Order No. 429-13 and apply to the Williams Fork and Iles (including the Rollins, Cozzette and Corcoran) Intervals of the Mesaverde Formation (the "Williams Fork and Iles Formations"). Among other things, these orders authorize the equivalent of one (1) well per 10 acres for production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations and provide that future Williams Fork and Iles Formation wells may be located downhole anywhere within the drilling and

spacing units but no closer than 100 feet from the boundary of the drilling and spacing units without an exception being granted by the Commission Director. If the drilling and spacing units abut or corner lands not yet subject to 10 acre well density for the Williams Fork and Iles Formations, wells within these drilling and spacing units are to be located downhole no closer than 200 feet from the drilling and spacing unit boundary without an exception being granted by the Commission Director. Wells within these drilling and spacing units are to be drilled either vertically or directionally on no more than one pad located in a given quarter-quarter section (or lots or parcels approximately equivalent thereto) unless an exception is granted by the Commission Director. Wells drilled to the Iles Formation are to be drilled in connection with the drilling of Williams Fork Formation wells unless an exception is granted by the Commission Director.

6. Order No. 429-13 involves lands to the south of the proposed drilling and spacing unit and also applies to the Mancos, Niobrara, Frontier and Mowry Formations. This Application does not seek to include the Mancos, Niobrara, Frontier and Mowry Formations in the requested drilling and spacing unit consisting of the Application Lands.

7. To promote efficient drainage of the Williams Fork and Iles Formations in the Application Lands, to protect correlative rights, avoid waste, and assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances, the Commission should enter an order to establish a drilling and spacing unit of approximately 323.72-acres consisting of the Application Lands for the drilling and producing of wells from the Williams Fork and Iles Formations.

8. Piceance requests that such order allow it to drill and complete wells in the requested drilling and spacing unit in the density and under the well location rules established by Order No. 369-5.

9. The above-proposed drilling and spacing unit will allow efficient drainage of the Williams Fork and Iles Formations, prevent waste, not adversely affect correlative rights of any owner, and assure the greatest ultimate recovery of oil, gas and associated hydrocarbons.

10. As already determined in Order No. 369-5 and other orders, a drilling and spacing unit of this type may economically and efficiently drain the Williams Fork and Iles Formations in the proposed unit.

11. The proposed wells can be developed in a manner consistent with protection of the environment, wildlife, public health, safety and welfare. Piceance shall comply with all state and federal rules and regulations applicable to these lands and minerals.

12. Attached to this Application as Exhibit B is a list of all owners and other potentially interested parties entitled to receive notice under Commission rules. Within seven days of the filing of this Application, all interested parties as defined in Commission Rules 503.e and 507.b shall be served with a copy of the Application. A certificate attesting to service of the Application shall be filed with the Commission within seven days of the filing of this Application.

13. A verification attesting to the Application is attached. A copy of a proposed Notice of Hearing is being submitted electronically to the Commission.

WHEREFORE, Piceance respectfully requests this matter be set for hearing, notice be given as required by law, and upon such hearing this Commission enter its order:


A. Establishing the Application Lands as an approximate 323.72-acre drilling and spacing unit for production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations.

B. Providing that the density and location of wells drilled to the Williams Fork and Iles Formations in said unit shall be under the rules established by Order No. 369-5.

C. For such other findings and orders, consistent with the requests set forth above, which the Commission may determine to be just and proper.

RESPECTFULLY SUBMITTED this 19<sup>th</sup> day of March, 2015.

BJORK LINDLEY LITTLE PC

By:   
David R. Little #13340  
1600 Stout Street, Suite 1400  
Denver, Colorado 80202  
Phone Number: 303-892-1400  
Fax Number: 303-892-1401  
[dlittle@bjorklindley.com](mailto:dlittle@bjorklindley.com)

Address of Applicant:  
Piceance Energy, LLC  
(Operator Number 10433)  
1512 Larimer Street, Suite 1000  
Denver, CO 80202

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. I am a Senior Landman for Piceance Energy, LLC, 1512 Larimer Street, Suite 1000, Denver, CO 80202.

2. I have read the Application and I have personal knowledge of the facts set forth therein. The facts in the Application are true and correct to the best of my knowledge and belief.

Further Affiant sayeth not.



Barbara A. Hinman

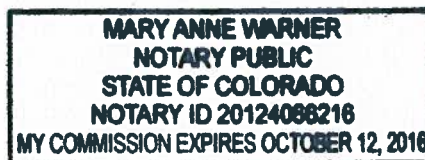
Subscribed and sworn to before me this 19th day of March, 2015.

Witness my hand and official seal.

My commission expires: October 12, 2016



Mary Anne Warner - Notary Public



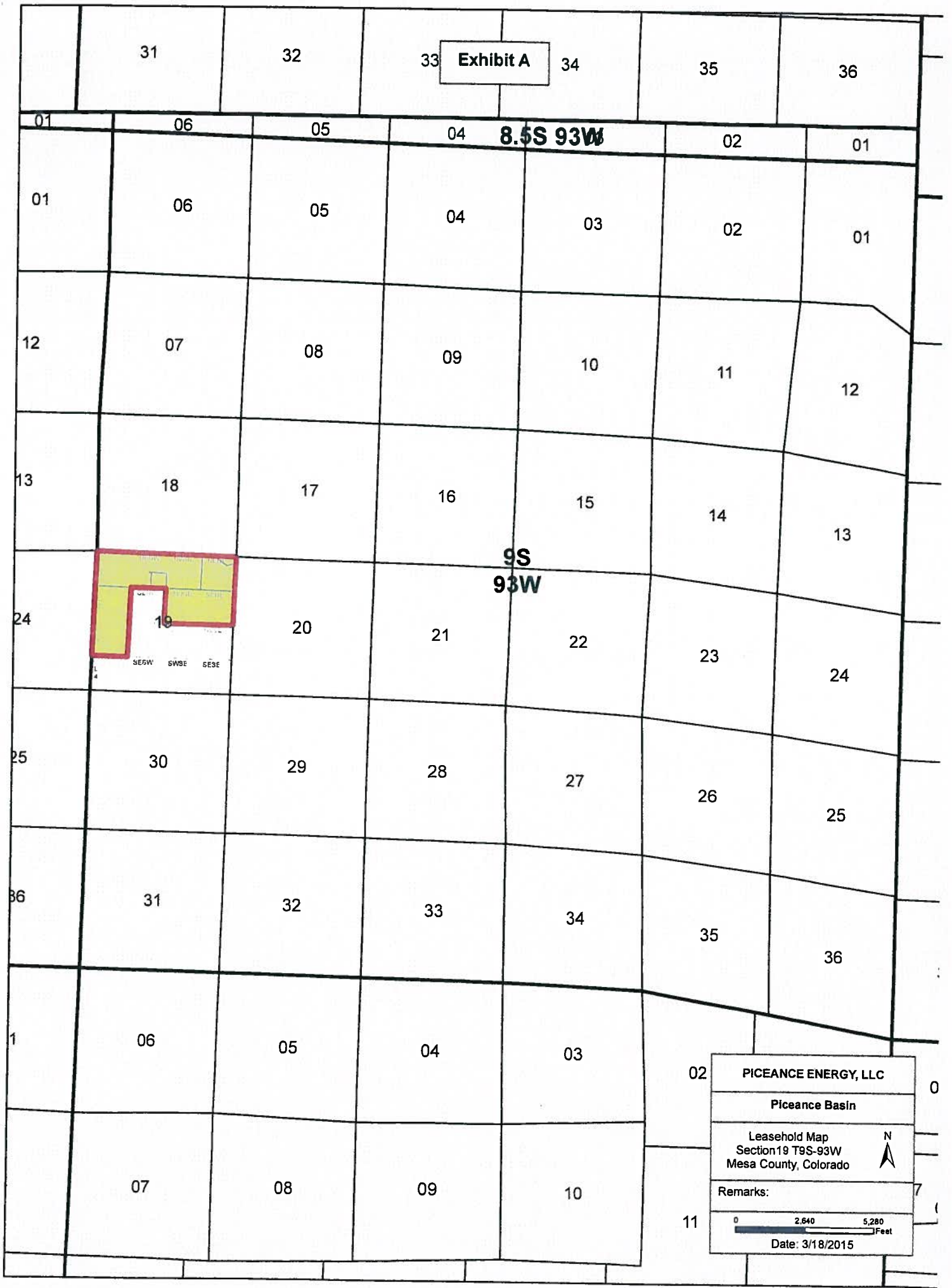


Exhibit A

8.5S 93W

9S  
93W

PICEANCE ENERGY, LLC

Piceance Basin

Leasehold Map  
Section 19 T9S-93W  
Mesa County, Colorado

Remarks:

0 2,640 5,280 Feet

Date: 3/18/2015

## **EXHIBIT B – INTERESTED PARTIES**

T9S-R93W, Sec. 19: NE/4, NE/4NW/4  
Lot 1, Lot 2, Lot 3  
Mesa County, Colorado

Piceance Energy, LLC (Applicant)  
1512 Larimer Street, Suite 1000  
Denver, CO 80202

Oxy USA Inc.  
5 Greenway Plaza  
Houston, TX 77046-0506

Randy Price  
Mesa County Planning and Economic  
Development  
750 Main Street  
P. O. Box 20000  
Grand Junction, CO 81501

EnCana Oil & Gas (USA) Inc.  
370-17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

United States Department of the Interior  
Bureau of Land Management  
Colorado State Office  
2850 Youngfield Street  
Lakewood, CO 80215-7093

MAP2009-OK, an Oklahoma general  
partnership  
c/o MAP Royalty, Inc.  
101 N. Robinson, Suite 1000  
Oklahoma City, OK 73102

United States Department of the Interior  
Bureau of Land Management  
2815 H Road  
Grand Junction, CO 81506  
Attention: Bob Hartman

Eric T. Bruton  
P. O. Box 316  
Mesa, CO 81643

Georgia C. Young  
12449 58 Road  
Collbran, CO 81624

Michael Warren  
Northwest Regional Office  
Energy Liaison – Colorado Parks and  
Wildlife  
711 Independent Avenue  
Grand Junction, CO 81505

Harrell C. Young  
14348 58 Road  
Collbran, CO 81624

Kent Kuster  
Oil and Gas Consultant Coordinator  
CDPHE  
4300 Cherry Creek Drive South  
Denver, CO 80246-1500



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CAUSE NO. \_\_\_\_\_  
DOCKET NO. 1505-SP-00328

AFFIDAVIT OF MAILING

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

David R. Little, of lawful age and being first duly sworn upon his oath, states and declares:

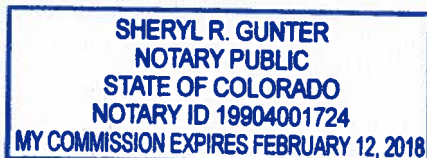
That he is an attorney for Piceance Energy, LLC, that on or before March 24, 2015, he caused a copy of the attached Application to be deposited in the United States Mail, first class postage prepaid, addressed to the parties listed on Exhibit B to the Application. This certificate of service is made upon personal knowledge.

  
\_\_\_\_\_  
David R. Little

Subscribed and sworn to before me this 24<sup>th</sup> day of March, 2015.

Witness my hand and official seal.

My commission expires: Feb 12, 2018



  
\_\_\_\_\_  
Notary Public