

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) | |
| VACATE COMMISSION ORDER 535-315) | Cause No. |
| AND ESTABLISH AN APPROXIMATE 1280-) | |
| ACRE DRILLING AND SPACING UNIT AND) | Docket No. |
| APPROVE UP TO TWENTY-EIGHT WELLS) | |
| FOR SECTIONS 4 AND 9, TOWNSHIP 7) | |
| NORTH, RANGE 59 WEST, 6TH P.M., FOR) | |
| THE NIOBRARA AND CODELL) | |
| FORMATIONS, UNKNOWN FIELD, WELD) | |
| 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 vacate Commission Order 535-315 and establish an approximate 1280-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations in the following lands:

Township 7 North, Range 59 West, 6th P.M.
Section 4: All
Section 9: All

Weld 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. Section 4, Township 7 North, Range 59 West, 6th P.M. is subject to this Rule for the Niobrara and Codell Formations. Section 9, Township 7 North, Range 59 West, 6th P.M. is subject to this Rule for the Codell Formation.
4. On May 6, 2013, the Commission entered Order 535-315 which, among other things, established an approximate 640-acre drilling and spacing unit for certain lands, including portions of the Application Lands, and approved up to eight horizontal within the unit, with bottomhole locations of

any permitted well to be no closer than 600 feet from the boundary of the unit, and no closer than 150 feet from the productive interval of any other wellbore, for the production of oil and gas and associated hydrocarbons from the Niobrara Formation. Section 9, Township 7 North, Range 59 West, 6th P.M. is subject to this Order for the Niobrara Formation.

5. Applicant requests that the Commission vacate Order 535-315 and establish an approximate 1280-acre drilling and spacing unit underlying the Application Lands for the development and production from the Niobrara and Codell Formations.

6. 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, and no closer than 100 feet from the productive interval of any other wellbore located within the unit, without exception being granted by the Director.

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

8. Applicant asserts that the proposed drilling and spacing unit will allow for the economic and efficient drainage of the Niobrara and Codell 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 Niobrara and Codell Formations. The proposed 1280-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 Niobrara and Codell Formations.

9. 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. Vacating Order 535-315 and establishing an approximate 1280-acre drilling and spacing unit comprised of the Application Lands for the development and production from the Niobrara and Codell 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, and no closer than 100 feet from the productive interval of any other wellbore located within the unit, without exception being granted by the Director;

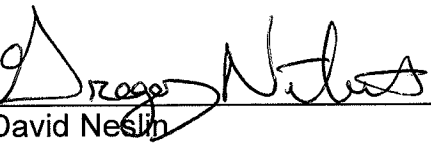
C. Authorizing up to four wellpads within the unit or upon adjacent lands; and

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

Dated: May 21, 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

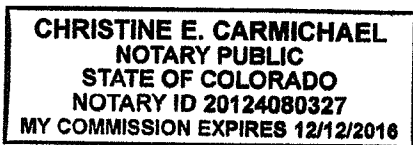


Jeff Grisham, Landman

Subscribed and sworn to before me this 20th day of May, 2015.

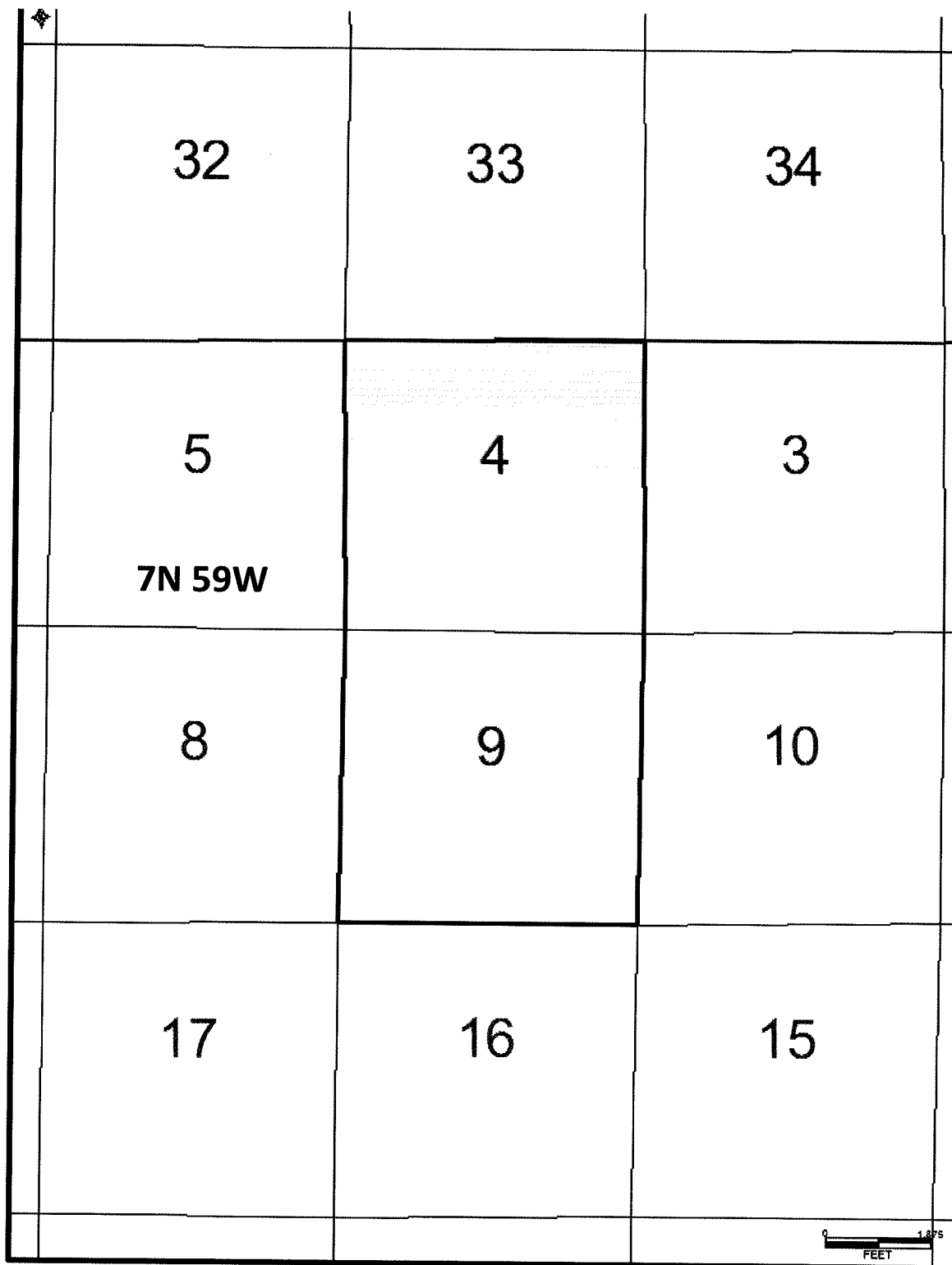
Witness my hand and official seal.

My commission expires: 12/12/2016





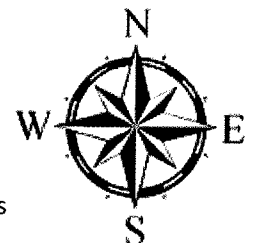
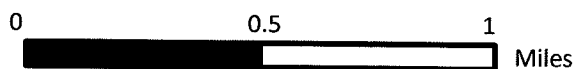
Notary Public



Legend



Spaced Lands



Spacing Unit Map
Exhibit A
05/21/2015

7N-59W, Sec 4 and 9: All
1280 Acres more or less

Exhibit B
Interested Parties

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

T. N. McLennan
2129 N.W. 22nd
Oklahoma City, OK

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

John Paul Ahrens
806 Hall Drive
Little Rock, AR 72205

Markus Production, Inc.
2100 W. Littleton Blvd., Suite 245
Littleton, CO 80120

W.O. Duffie
Address Unknown

Foundation Energy Fund III-A, L.P.
16000 Dallas Parkway, Suite 875
Dallas, TX 75248

Mildred Wells
Fka Mildred Duffie
326 N. 4th St.
Rogers, AR 72756

Foundation Energy Fund III-B Holding,
L.L.C.
16000 Dallas Parkway, Suite 875
Dallas, TX 75248

Webb Royalties, LLC
c/o BOKF, NA, dba Bank of Oklahoma
P.O. Box 3499
Tulsa, OK 74101

Foundation Energy Fund IV-A, L.P.
16000 Dallas Parkway, Suite 875
Dallas, TX 75248

Carl D. Wagner, life estate
3035 S. Quaker
Tulsa, OK 74103

Foundation Energy Fund IV-B Holding,
L.L.C.
16000 Dallas Parkway, Suite 875
Dallas, TX 75248

Vaughn Daniel Yeager
1382 Ranch House Drive
Fairview, TX 75069

W.L. Kistler
1606 National Bank of Tulsa Building
Tulsa, OK

R.M. Franks
Address Unknown

Mary Fiers Ramsey
4829 N. Miller Rd.
Scottsdale, AZ 85251

PEC Minerals, LP
14860 Montfort Drive, Suite 209
Dallas, TX 75254

C.E. Ramsey 1993 Trust
109 Dawn Isle Drive
Las Vegas, NV 89128

Heirs of W.L. Harris
5820 North Barnes Circle
Oklahoma City, OK 73112

Colonial Royalties Limited Partnership
320 S. Boston, Ste. 1108
Tulsa, OK 74103

Marujakaba, Ltd.
P.O. Box 3894
Corpus, Christi, TX 7846

Herbert D. Miller Revocable Trust
Agreement, dated June 21, 1984
6701 North Grand Boulevard
Oklahoma, City, OK 73116

Pentagon Oil Company
Box 391
Kilgore, TX 75662

Chaparral Royalty Company
P.O. Box 66687
Houston, TX 77266

Marguerite Carter
2916 Chatsworth Blvd.
San Diego, CA

Foreland Investments LP
5950 Cedar Springs Rd., Suite 100
Dallas, TX 75235

Vecta Override Pool, L.P.
5950 Cedar Springs Road, Suite 100
Dallas, TX 75235

Lake Ronel Oil Company
115 East Elm St.
Tyler, TX 75702

Troy Swain - LGD
Weld County
Department of Planning Services
1555 North 17th Avenue
Greeley, CO 80631

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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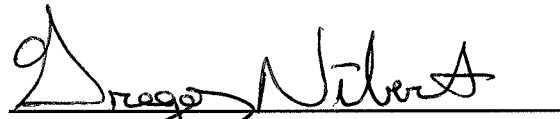
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COUNTY, COLORADO)

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 May 28, 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.

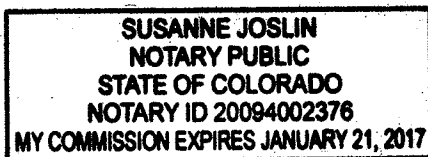



Greg Nibert Jr.

Subscribed and sworn to before me May 21, 2015.

Witness my hand and official seal.

My commission expires: 1-21-17.





Notary Public