### 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 1280-ACRE                        | ) | Cause No.  |
| DRILLING AND SPACING UNIT AND                             | ) | 5 7 7 8    |
| APPROVE UP TO TWENTY-EIGHT WELLS                          | ) | Docket No. |
| FOR SECTIONS 18 AND 19, TOWNSHIP 5                        | ) |            |
| NORTH, RANGE 60 WEST, 6TH P.M., FOR                       | ) |            |
| THE NIOBRARA AND CODELL 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 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 5 North, Range 60 West, 6<sup>th</sup> P.M. Section 18: All Section 19: 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 <u>Exhibit A</u>.
- 3. Commission Rule 318.a. 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 1280-acre drilling and spacing unit underlying the Application Lands for the development and production from the Niobrara and Codell 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, 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.

- 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 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.
- 8. Pursuant to Rule 507.b.(1), the names and addresses of the interested parties to this Application are set forth in <u>Exhibit B</u>, 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 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: July 16, 2015

Respectfully submitted,

DAVIS GRAHAM & STUBBS LLP

By: David Neslin

Greg Nibert Jr.

Davis Graham & Stubbs LLP

Attorney for Applicant 1550 17<sup>th</sup> 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 15 day of July, 2015.

Witness my hand and official seal.

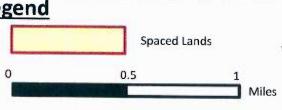
My commission expires: 1/28/17

ARMANDO TREVINO
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134005025
MY COMMISSION EXPIRES JANUARY 28, 2017

**Notary Public** 

| 4                   |    |    |  |  |
|---------------------|----|----|--|--|
| 12                  | 7  | 8  |  |  |
| 13<br>5N 60W        | 18 | 17 |  |  |
|                     |    |    |  |  |
| 24                  | 19 | 20 |  |  |
| 25                  | 30 | 29 |  |  |
|                     |    | 9  |  |  |
| Legend Spaced Lands |    |    |  |  |





W E

Spacing Unit Map Exhibit A 07/15/2015

5N-60W, Sec 18 and 19: All 1280 Acres more or less

## Exhibit B Interested Parties

Caerus WashCo LLC 600 17<sup>th</sup> St., Suite 1600N Denver, CO 80202

Esenjay Oil & Gas Ltd 500 North Water St., Suite 1100 South Corpus Christi, TX 78471

Winn Exploration Co., Inc. 800 N. Shoreline Blvd, Ste 1900 North Corpus Christi, TX 78401

Crain Energy Ltd. 222 East Tyler Street PO Box 2146 Longview, TX 75606

Lacy Properties Ltd. 222 East Tyler Street PO Box 2146 Longview, TX 75606

Ravco Inc. 3756 Bratton Corpus Christi, TX 78413

Arentee Investments 20124 Hwy 124 Jonesville, LA 71343

Schibi Oil and Gas Ltd. 4706 Grand Lake Corpus Christi, TX 78413

Carrizo Oil & Gas, Inc. 1000 Louisiana Street, Suite 1500 Houston, TX 77002

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

Baseline Minerals, Inc. 1801 Broadway, Suite 400 Denver, CO 80202"

Parbow Investments, LLC 912 Clydesdale Lane Windsor, CO 80550 J.D. Sprecher Wyoming National Bank Bldg. Casper, WY 82602

Charles S. Chapin, Trustee "First National Bank & Tower Bldg. Casper, WY 82602"

"Central Wyoming Council, Inc., Boy Scouts of America" P.O. Box 1506 Casper, WY 82602"

Estate of M. A. Shikany, deceased, Wyoming National Bank Executor P.O. Box 2799 Casper, WY 82602"

Mary Ann Dawson 126 Clover Way Los Gatos, CA 95032"

Lee G. Coffman Revocable Trust 25222 S. Coverland Drive Sun Lake, AZ 85248"

Edward A. McCarthy, as Archbishop of Miami for the use of Annual Bishops Drive 150 West Flagler St. Miami, FL 33130"

Edward A. McCarthy, as Archbishop of Miami for the use of Little Flower Parish of Coral Gables, Florida 150 West Flagler St. Miami, FL 33130"

Littleflower Conference of St. Vincent De Paul of Coral Gables, Florida 1270 Anastasia Ave. Coral Gables, FL 33134

Camillus House, Brothers of the Good Shepherd 1603 N.W. 7th Ave. Miami, FL 33136" Variety Children's Hospital of Miami, Florida "6125 S.W. 31st St. Miami, FL 33175"

"Edward A. McCarthy as Archbishop of Miami for Boystown of Florida" 11575 SW 138th Ave Miami, FL 33186"

Florida Elks Harry-Anna Crippled Children's Hospital Trust Fund P.O. Box 49 Umatilla, FL 32784"

The Salvation Army 1424 NE Expressway Atlanta, Georgia 30329"

Cerebral Palsy Association of Miami, Inc. 1411 N.W. 14th Ave. Miami, FL 33125"

The Crippled Children's Society of Dade County Florida, Inc. a/k/a Easter Seals Society 1475 N.W. 14th Street Miami, FL 33125"

Charles R. Holland 4183 Cumorah Drive Salt Lake City, UT 84111"

Florence H. Hill "4117 Glenwood Ft. Worth, TX 76109"

Raney M. Holbrook 2919 N. Pioneer Rd. Ellensburg, WA 98926"

Finley W. Holbrook, Jr. P.O. Box 17485 Phoenix, AZ 85011"

Faith M. Holbrook P.O. Box 100924 Fort Worth, TX 76185

MRJ Investments, LTD P.O. Box 1434 Edinburg, TX 78450" Joe P. Pritchett P.O. Box 10578 Corpus Christi, TX 78460"

Victoria Trading Co., LLC P.O. Box 1077 Edinburg, TX 78540"

Jeanine LLC 800 Phillips Drive Northglenn, CO 80233

Spencer A. Mollerstuen 6150 West Plymouth Drive Littleton, CO 80128

Axel F. Hammer 8540 Rhodes Ave. Chicago, IL 60619"

Gustav H. Johnson 7851 Colfax Ave. Chicago, IL 60649"

Ethel Elizabeth Kohler 4813 Alexon Way Carmichael. CA 95608"

Louanna Marlene Calhoun 2818 Manzano St., NE Albuquerque, MN 87110"

David John Kohler 6637 Jannie Street Fort Worth, TX 76180"

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

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

| IN THE MATTER OF THE APPLIC CAERUS WASHCO LLC FOR AN CESTABLISH AN APPROXIMATE 1 DRILLING AND SPACING UITAPPROVE UP TO TWENTY-EIGHTOR SECTIONS 18 AND 19, TOWNORTH, RANGE 60 WEST, 6TH THE NIOBRARA AND FORMATIONS, UNKNOWN FIELD, COUNTY, COLORADO | ORDER TO<br>280-ACRE<br>NIT AND<br>IT WELLS<br>WNSHIP 5<br>P.M., FOR<br>CODELL | ) ) Cause No. ) Docket No. ) ) |
|---|--|--------------------------------|
|   | <u>AFFIDAVIT</u>   | OF MAILING                     |
| STATE OF COLORADO   | )<br>)ss.  |                                |
| CITY AND COUNTY OF DENVER   | j  |                                |

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 July 23, 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

Subscribed and sworn to before me July 16, 2015.

Witness my hand and official seal.

My commission expires: 1-21-2017

SUSANNE JOSLIN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20094002376
MY COMMISSION EXPIRES JANUARY 21, 2017

Notary Public