

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

IN THE MATTER OF AN APPLICATION BY) PETROSHARE CORP. FOR AN ORDER: (1)) ESTABLISHING AN APPROXIMATE 320-ACRE) DRILLING AND SPACING UNIT COMPRISED OF) THE W/2 OF SECTION 10, TOWNSHIP 1 SOUTH,) RANGE 67 WEST, 6 th PM, FOR HORIZONTAL) WELL DEVELOPMENT OF THE CODELL-) NIOBRARA FORMATIONS, WATTENBERG FIELD,) ADAMS COUNTY COLORADO; (2) AUTHORIZING) THE DRILLING OF UP TO SEVEN (7)) HORIZONTAL WELLS WITHIN SUCH PROPOSED) DRILLING AND SPACING UNIT; (3) AUTHORIZING) ONE HUNDRED FIFTY FOOT (150') INTERWELL) SETBACKS; AND (4) AUTHORIZING FOUR) HUNDRED SIXTY FOOT (460') DRILLING AND) SPACING UNIT BOUNDARY LINE SETBACKS))	CAUSE NO. 407 DOCKET NO. <i>To be assigned</i>
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APPLICATION

Petroshare Corp. ("Petroshare" or "Applicant"), by and through its attorneys, Fox Rothschild LLP, respectfully submits this Application ("Application") to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order: (1) establishing an approximate 320-acre drilling and spacing unit comprised of the W/2 of Section 10, Township 1 South, Range 67 West, 6th P.M., for horizontal well development of the Codell-Niobrara Formations, Wattenberg Field, Adams County, Colorado; (2) authorizing the drilling of up to seven (7) horizontal wells within such proposed drilling and spacing unit; (3) authorizing one hundred fifty foot (150') interwell setbacks; and (4) authorizing four hundred sixty foot (460') drilling and spacing unit boundary line setbacks.

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

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is registered as Operator No. 10454 with the Commission.
2. Applicant owns substantial leasehold interests in the below-listed lands ("Application Lands"):

Township 1 South, Range 67 West, 6th P.M.
Section 10: W/2
Containing 320.00 acres, more or less

3. A map depicting the acreage comprising the Application Lands, which lie entirely within the Greater Wattenberg Area as defined by the Commission Rules is attached hereto and incorporated herein as Exhibit A.

4. 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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended to, among other things, 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, among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell-Niobrara Formations.

5. The Commission has issued no other orders concerning the establishment of drilling and spacing units touching and concerning the Application Lands with respect to the Codell-Niobrara Formations.

6. There are no wells producing from the Codell-Niobrara Formations on the Application Lands.

7. Applicant requests that the Commission establish the Application Lands as an approximate 320-acre drilling and spacing unit for the drilling of horizontal wells to the Codell-Niobrara Formations, pursuant to Commission Rule 503.b.(1) and C.R.S. § 34-60-116(2) ("Proposed DSU").

8. The Proposed DSU is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed by this Application to be drilled and completed in the Codell-Niobrara Formations.

9. Applicant also requests that it be authorized to drill and complete up to seven (7) horizontal wells in the Proposed DSU (collectively, "Wells"), for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations ("Well Density Request"), pursuant to Commission Rule 503.b.(1).

10. Applicant further requests that the productive interval for any of the Wells be located no closer than one hundred fifty feet (150') from the productive interval of any other horizontal wellbore located within the Proposed DSU, absent exception being granted by the Director or variance being granted by the Commission ("Interwell Setback Request"), pursuant to Commission Rule 503.b.(1).

11. Applicant also requests that the productive interval for any of the Wells be located no closer than four hundred sixty feet (460') from the boundary of the Proposed DSU, absent exception being granted by the Director or variance being granted by the

Commission ("Boundary Line Setback Request"), pursuant to Commission Rule 503.b.(1).

12. Applicant states that its request for the creation of the Proposed DSU, its Well Density Request, its Interwell Setback Request, and its Boundary Line Setback Request are each necessary and will promote full, economic and efficient resource recovery, minimize surface impacts, create of efficiencies for drilling and production, increase the ultimate recovery of the hydrocarbon reserves, prevent waste, and protect correlative rights.

13. Applicant further states that no interested party will be prejudiced by the granting of the relief sought herein.

14. Applicant states that any horizontal wells to be drilled under this Application will be drilled on the surface of the Proposed DSU, or on adjacent lands with consent of the landowner, absent exception being granted by the Director or variance being granted by the Commission.

15. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at C.R.S. § 34-60-101, *et seq.*, and the Commission Rules.

16. That the names and addresses of the interested parties (owners within the Application Lands) are attached hereto and incorporated herein as **Exhibit B**.

17. Applicant shall submit a certificate of service for this Application within the seven (7) days required by Commission Rules 500 Series.

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

- A. Establishing the Application Lands as an approximate 320-acre drilling and spacing unit for the Codell-Niobrara Formations;
- B. Authorizing the Well Density Request;
- C. Authorizing the Interwell Setback Request;
- D. Authorizing the Boundary Line Setback Request; and
- E. For such other findings and orders as the Commission may deem proper or advisable.

Respectfully dated and submitted this 8th day of October, 2015.

By: 

Brent D. Chicken (Colorado Bar No. 36217)

Jacob Baer (Colorado Bar No 47051).

Fox Rothschild LLP

Attorney for Applicant

1225 17th Street

Suite 2200

Denver, CO 80202

303.446.3844

Applicant:

Petroshare Corp.

Attn: Frederick Witsell

7200 S Alton Way, Suite B220

Centennial, CO 80112

(303) 500-1168

FWitsell@Petrosharecorp.com

Local Governmental Designee:

Jennifer Rutter

Community & Economic Development

4300 South Adams County Pkwy,

Brighton, CO 80601-8218

(720) 523-6841

jrutter@adcogov.org

VERIFICATION

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

Frederick Witsell, President, Petroshare Corp., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

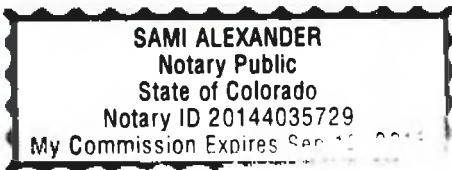
PETROSHARE CORP.



Frederick Witsell
President

Acknowledged, subscribed and sworn to before me this 25 day of September, 2015 by Frederick Witsell, President, Petroshare Corp.

SEAL





Print Name: Sami Alexander
Notary Public
State of: Colorado
My commission expires: 9-12-18

EXHIBIT A

APPLICATION LANDS MAP

T1S, R67W, S10, W/2

320.00 acres, more or less

Application Lands -

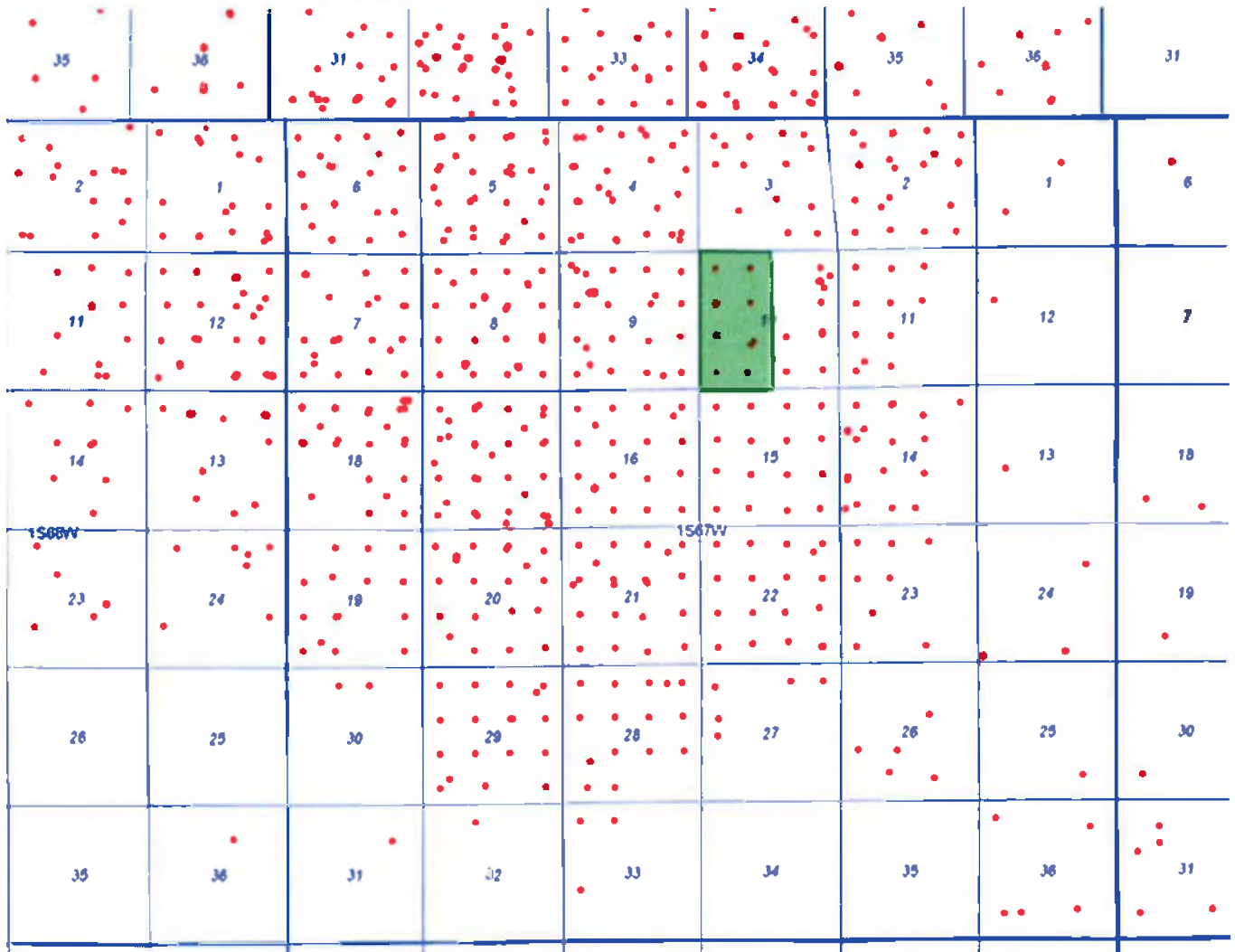


EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within the W/2 of Section 10 Township 1 South, Range 67 West, 6th P.M.), according to the information and belief of the Applicant, are set forth in this Exhibit B.

Vincent J. Hamilton Stephanie K. Hamilton 9190 E. 159th Ave. Brighton, CO 80602	Gregory J. DiLorenzo Leanne DiLorenzo 9295 E. 159th Ave. Brighton, CO 80602
Lynda C. Goodrich 9205 E. 159th Ave. Brighton, CO 80602	Extraction Oil & Gas, LLC 370 Seventeenth St. Ste. 5300 Denver, CO 80202
Ward Petroleum Corporation 215 W. Oak St. Ste. 1000 Fort Collins, CO 80521	Guard Exploration Limited Partnership 215 W. Oak St. Ste. 1000 Fort Collins, CO 80521
Randy S. Ford 9600 E. 160 th Ave. Brighton, CO 80602	Farm Credit Bank of Wichita, n/k/a CoBank Attn: Minerals Department P.O. Box 2940 Wichita, KS 67201
Christopher P. Robillard P.O. Box 641 Lafayette, CO 80026	Devon Energy Production Company, L.P. 1500 Mid-America Tower 20 N. Broadway Oklahoma City, OK 73102
Kerr-McGee Oil & Gas Onshore, LP 1201 Lake Robins Dr. The Woodlands, TX 77380	T.E. McClintock T/W fbo Mary M. Swift, U.S. Bank, N.A., Trustee P.O. Box 17532 Denver, CO 80217

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

IN THE MATTER OF AN APPLICATION BY)
PETROSHARE CORP. FOR AN ORDER: (1)) CAUSE NO. 407
ESTABLISHING AN APPROXIMATE 320-ACRE)
DRILLING AND SPACING UNIT COMPRISED OF) DOCKET NO. 151200767
THE W/2 OF SECTION 10, TOWNSHIP 1 SOUTH,)
RANGE 67 WEST, 6th PM, FOR HORIZONTAL)
WELL DEVELOPMENT OF THE CODELL-)
NIOBRARA FORMATIONS, WATTENBERG FIELD,)
ADAMS COUNTY COLORADO; (2) AUTHORIZING)
THE DRILLING OF UP TO SEVEN (7))
HORIZONTAL WELLS WITHIN SUCH PROPOSED)
DRILLING AND SPACING UNIT; (3) AUTHORIZING)
ONE HUNDRED FIFTY FOOT (150') INTERWELL)
SETBACKS; AND (4) AUTHORIZING FOUR)
HUNDRED SIXTY FOOT (460') DRILLING AND)
SPACING UNIT BOUNDARY LINE SETBACKS)
)

CERTIFICATE OF SERVICE


Brent D. Chicken, of lawful age, and being first duly sworn upon his oath, states and declares that he is the attorney for Petroshare Corp. with respect to the above-captioned matter, and that on October 9, 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.


Brent D. Chicken

Subscribed and sworn to before me on the 9th day of October, 2015

Witness my hand and official seal.



 exp. 7/13/19
Notary Public

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ADAMS COUNTY COLORADO; (2) AUTHORIZING)	
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SETBACKS; AND (4) AUTHORIZING FOUR)	
HUNDRED SIXTY FOOT (460') DRILLING AND)	
SPACING UNIT BOUNDARY LINE SETBACKS)	
)	

SUPPLEMENTAL CERTIFICATE OF SERVICE AND ADDRESS CORRECTION

Brent D. Chicken, of lawful age, and being first duly sworn upon his oath, states and declares that he is the attorney for Petroshare Corp. ("PetroShare") with respect to the above-captioned matter, and that on October 9, 2015, he filed a Certificate of Service with the Colorado Oil and Gas Conservation Commission ("Commission") indicating that a copy of PetroShare's Application in the above-captioned matter had been deposited in the United States Mail, postage prepaid, addressed to:

Devon Energy Production Company, L.P.
1500 Mid-America Tower
20 N. Broadway
Oklahoma City, OK 73102

On or about October 20, 2015, the undersigned received notice from the United States postal Service that the copy of PetroShare's Application in the above-captioned matter sent to the foregoing party was returned undeliverable. See Exhibit "A," attached hereto.

On October 21, 2015, the undersigned caused a true and complete copy of PetroShare's Application in the above-captioned matter to be re-sent to the foregoing at the following corrected address:

Devon Energy Production Company, L.P.
Attn.: Land Department
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

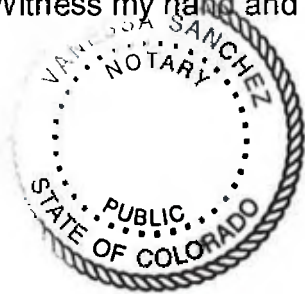
All further correspondence and notices in the above-captioned matter concerning PetroShare's Application shall be sent to the foregoing party at the foregoing corrected address.


Brent D. Chicken

Subscribed and sworn to before me on the 21st day of October, 2015

Witness my hand and official seal

exp.
7/13/19



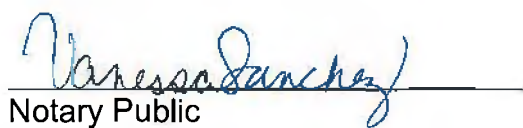

Notary Public

EXHIBIT “A”



Fox Rothschild LLP
ATTORNEYS AT LAW

1225 17th Street, Suite 2200
Denver CO 80202

DENVER
CO 802
12 OCT '15
PM 4 L

Hasler
10/09/2015
US POSTAGE

FIRST CLASS MAIL
\$00.70



ZIP 80202
011D11643545

Devon Energy Production Company, L.P.
1500 Mid-America Tower
20 N. Broadway
Oklahoma City, OK 73102

80202 05516

7310235213

RETURN TO SENDER
ATTEMPTED - NOT KNOWN
UNABLE TO FORWARD

RC: 80202551650 *1520-00459-12-37

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WELL DEVELOPMENT OF THE CODELL-)	
NIOBARRA FORMATIONS, WATTENBERG FIELD,)	
ADAMS COUNTY COLORADO; (2) AUTHORIZING)	
THE DRILLING OF UP TO SEVEN (7))	
HORIZONTAL WELLS WITHIN SUCH PROPOSED)	
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ONE HUNDRED FIFTY FOOT (150') INTERWELL)	
SETBACKS; AND (4) AUTHORIZING FOUR)	
HUNDRED SIXTY FOOT (460') DRILLING AND)	
SPACING UNIT BOUNDARY LINE SETBACKS)	
)	

SECOND SUPPLEMENTAL CERTIFICATE OF
SERVICE AND ADDRESS CORRECTION

Brent D. Chicken, of lawful age, and being first duly sworn upon his oath, states and declares that he is the attorney for Petroshare Corp. ("PetroShare") with respect to the above-captioned matter, and that on October 9, 2015, he filed a Certificate of Service with the Colorado Oil and Gas Conservation Commission ("Commission") indicating that a copy of PetroShare's Application in the above-captioned matter had been deposited in the United States Mail, postage prepaid, addressed to:

Christopher P. Robillard
P.O. Box 641
Lafayette, CO 80026

T.E. McClintock T/W fbo Mary M Swift
U.S. Bank, N.A., Trustee
P.O. Box 17532
Denver, CO 80217

On or about October 27-28, 2015, the undersigned received notice from the United States Postal Service that the copy of PetroShare's Application in the above-captioned matter sent to the foregoing parties was returned undeliverable. See Exhibit "A," attached hereto.

On October 29, 2015, the undersigned caused a true and complete copy of PetroShare's Application in the above-captioned matter to be re-sent to the foregoing parties at the following corrected addresses:

Christopher P. Robillard
1013 County Road 7
Erie, CO 80516-7906

T.E. McClintock T/W fbo Mary M Swift
c/o Trent A. Baulch, Senior Vice President
Managing Director, Mineral Management
P.O. Box 3499
Tulsa, OK 74101

All further correspondence and notices in the above-captioned matter concerning PetroShare's Application shall be sent to the foregoing parties at the foregoing corrected addresses.


Brent D. Chicken

Subscribed and sworn to before me on the 29th day of October, 2015

Witness my hand and official seal.


Notary Public

EXHIBIT “A”



Fox Rothschild LLP
ATTORNEYS AT LAW

1225 17th Street, Suite 2700
Denver, CO 80202



DENVER
CO 802
12 OCT '15
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Hasler
10/09/2015
US POSTAGE
\$00.70⁵

FIRST-CLASS MAIL



ZIP 80202
011D11643545

T.E. McClintock T/W fbo Mary M.
Swift, U.S. Bank, N.A., Trustee
P. [REDACTED]
Denver, CO 80217

**RECEIVED AND
OPENED IN ERROR**





Fox Rothschild LLP
ATTORNEYS AT LAW

1225 17th Street, Suite 2200
Denver, CO 80202

DENVER
CO 802
12 OCT '15
PM 4 L

FIRST-CLASS MAIL

Hasler

10/09/2015

US POSTAGE

\$00.70⁵



ZIP 80202
011D11643545

Christopher P. Robillard
P.O. Box 641
Lafayette, CO 80026

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0810/11/15

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

BC: 80202551650 *1520-00452-12-37

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