

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

IN THE MATTER OF THE ESTABLISHMENT )	CAUSE NO. _____
OF A DRILLING AND SPACING UNIT AND THE )	
PROMULGATION OF FIELD RULES TO GOVERN )	
OPERATIONS FOR THE MISSISSIPPIAN, )	DOCKET NO. _____
SPERGEN, ST. LOUIS, WARSAW, OSAGE, )	
MORROW, SHAWNEE, MARMATON, )	
FORT SCOTT AND LANSING-KANSAS CITY )	
FORMATIONS IN SECTION 14, TOWNSHIP 15 )	
SOUTH, RANGE 45 WEST, CHEYENNE COUNTY, )	
COLORADO )	

APPLICATION

Angus Natural Resources, LLC (Operator Number 10423) ("Angus"), through its attorneys, 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 240-acre drilling and spacing unit and field rules for the production of oil, gas and associated hydrocarbons from the Mississippian, Spergen, St. Louis, Warsaw, Osage, Morrow, Shawnee, Marmaton, Fort Scott and Lansing-Kansas City Formations covering certain lands in Cheyenne County, Colorado. In support of its Application, Angus states as follows:

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

2. Angus has standing as an owner to pursue this Application because it owns oil and gas leasehold interests in the following lands in Cheyenne County, Colorado:

Township 15 South, Range 45 West, 6th P.M.  
Section 14: SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$

(the "Application Lands"). The Application Lands comprise approximately 240 acres. Reference maps of the Application Lands are attached as Exhibits 1 and 2.

3. The Application Lands are presently subject to Commission Rule 318 with respect to the location of wells.

4. At present, the Application Lands are not subject to any Commission orders establishing field rules. But the Application Lands were subject to orders of the Commission between 1969 and 1991.

5. On October 21, 1969, the Commission issued Order No. 219-1 establishing 80-acre drilling and spacing units and field rules for the Ladder Creek Field.

The Ladder Creek Field was defined in Order No. 219-1 to include the Application Lands and lands in approximately 51 other sections.

6. On November 18, 1991, the Commission issued Order No. 219-5 (Corrected). This order rescinded the rules and regulations of Order No. 219-1 with respect to the Application Lands and certain lands in ten other sections. In lieu of these field rules, the Commission ordered that the Application Lands and these other ten sections should henceforth be subject to the general rules and regulations of the Commission.

7. In this Application, Angus asks the Commission to issue an order entering the following relief:

a. The Commission should order that the Application Lands be established as a single drilling and spacing unit consisting of approximately 240 acres within Section 14, as described above, for the production of oil, gas and associated hydrocarbons from the Mississippian, Spergen, St. Louis, Warsaw, Osage, Morrow, Shawnee, Marmaton, Fort Scott and Lansing-Kansas City Formations.

b. The equivalent of one well per 40-acre density should be ordered so that up to six wells may be drilled and produced from within the Application Lands.

c. All wells within the Application Lands producing from the Mississippian, Spergen, St. Louis, Warsaw, Osage, Morrow, Shawnee, Marmaton, Fort Scott and Lansing-Kansas City Formations shall be drilled from no more than one well pad per quarter quarter section and shall be located no closer than 600 feet from the exterior boundaries of the Application Lands without an exception being granted by the Director.

8. Presently available seismic and other engineering and geologic evidence demonstrates that creation of the above-proposed 240-acre drilling and spacing unit will allow efficient drainage of the Mississippian, Spergen, St. Louis, Warsaw, Osage, Morrow, Shawnee, Marmaton, Fort Scott and Lansing-Kansas City Formations, prevent waste, not adversely affect correlative rights of any owner, and assure the greatest ultimate recovery of oil, gas and associated hydrocarbons. In addition, establishment of the drilling and spacing unit will permit the operator to better locate oil and gas wells within the proposed drilling and spacing unit and will otherwise serve the purposes of the Oil and Gas Conservation Act.

9. Wells developed in accordance with the proposed order may be drilled and operated in a manner consistent with protection of the environment, wildlife, public health, safety and welfare.

10. Angus shall comply with all rules and regulations applicable to these lands and minerals.

11. The names and addresses of all interested parties as defined in Commission Rules 503.e and 507.b are listed in Exhibit 3. Within seven days of the filing of this Application, all of the persons and entities listed in Exhibit 3 will 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.

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

WHEREFORE, Angus respectfully requests this matter be set for hearing, notice be given as required by law and this Commission enter the following order:

a. The Application Lands should be established as a single drilling and spacing unit consisting of approximately 240 acres within Section 14, as described above, for the production of oil, gas and associated hydrocarbons from the Mississippian, Spergen, St. Louis, Warsaw, Osage, Morrow, Shawnee, Marmaton, Fort Scott and Lansing-Kansas City Formations.

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d. The Commission should enter and issue 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 25<sup>th</sup> day of November, 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

Address of Applicant:  
Angus Natural Resources, LLC  
(Operator Number 10423)  
1323 East 71<sup>st</sup> Street, Suite 400  
Tulsa, Oklahoma 74136

VERIFICATION

STATE OF OKLAHOMA        )  
  ) ss.  
COUNTY OF TULSA        )

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. I am a Reservoir Engineer for Angus Natural Resources, LLC, 1323 East 71<sup>st</sup> Street, Suite 400, Tulsa, Oklahoma, 74136.

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.

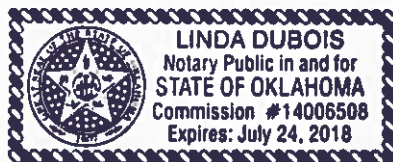
Further Affiant sayeth not.

  
\_\_\_\_\_  
Jose A. Moncayo

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

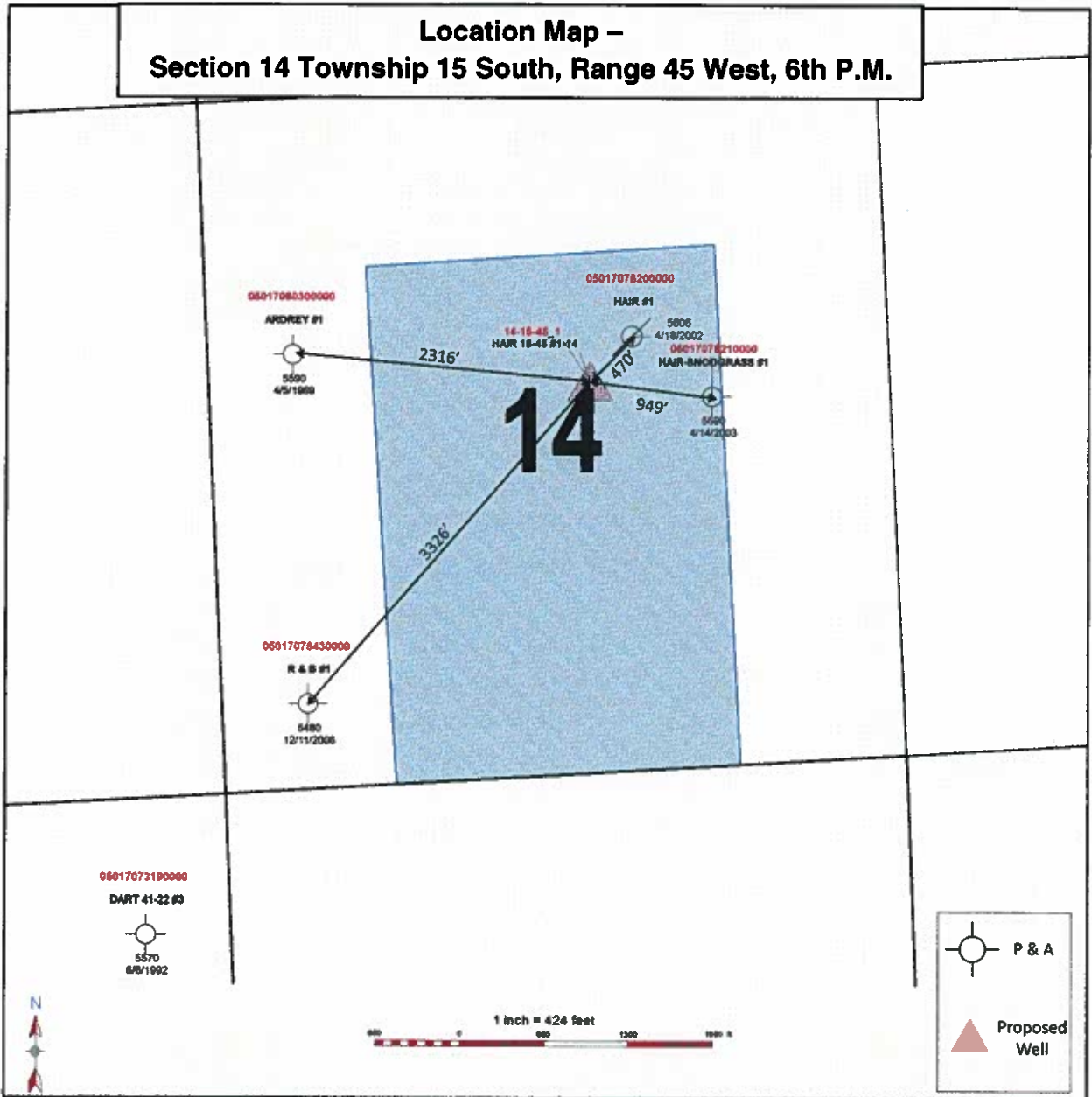
Witness my hand and official seal.

My commission expires: 7/24/18



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

Exhibit 1	Cause No. _____ Docket No. _____
Scale: 1 inch = 424 feet	Location Map
Applicant: Angus Natural Resources, LLC	Cheyenne County CO/Wildcat
Author: Jose A. Moncayo	



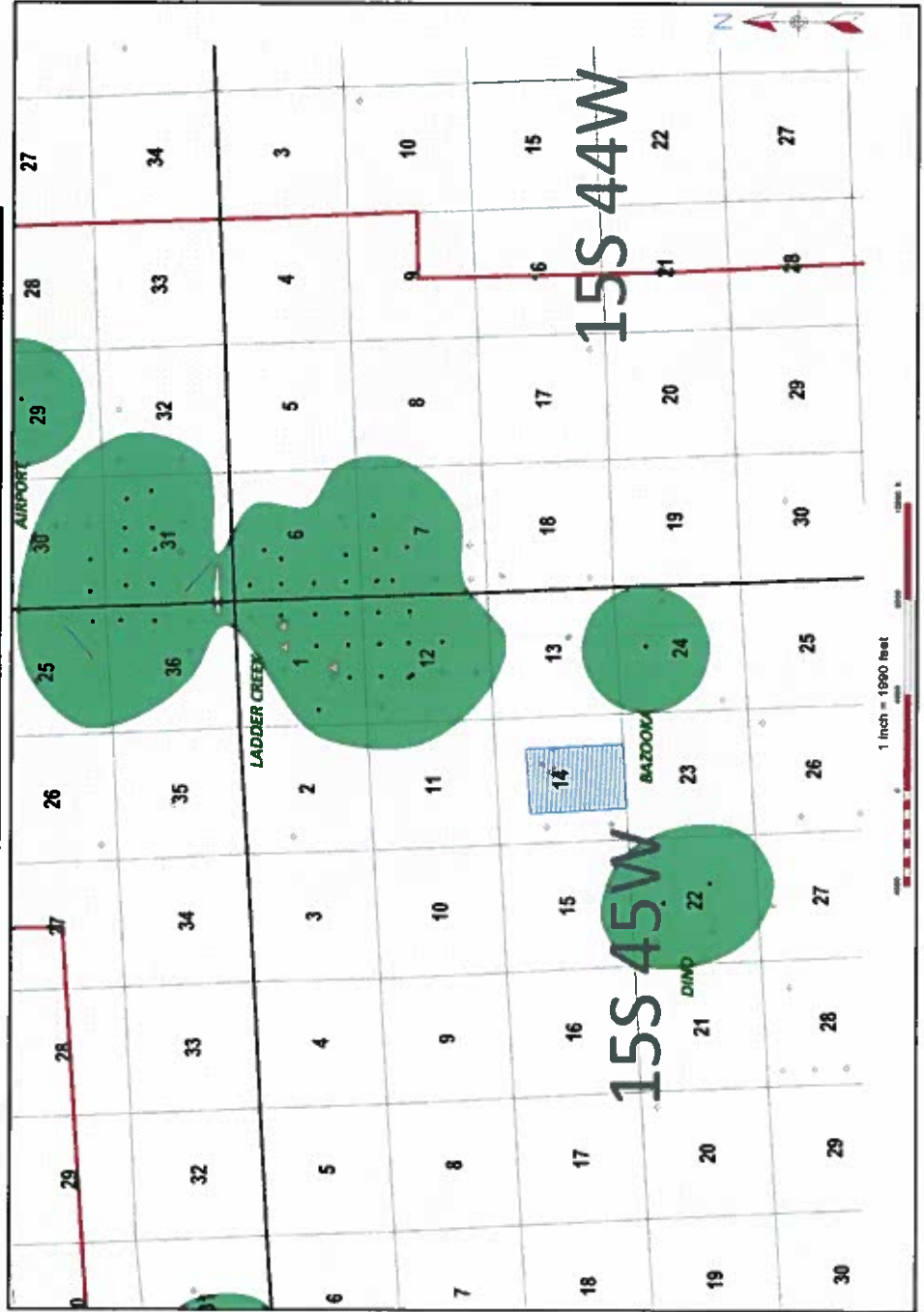
**Unit Size:** 240 acres

**Spacing:** Up to 6 wells

**Unit (Blue Shaded Area) Legal Description:** Section 14, Township 15 South, Range 45 West, SWNE & SENW & E2SW & W2SE

Exhibit 2	Cause No. _____ Docket No. _____
Scale: 1 inch = 1990 feet	Location Map
Applicant: Angus Natural Resources, LLC	Cheyenne County CO/Wildcat
Author: Jose A. Moncayo	

**Regional Map**  
**Section 14 Township 15 South, Range 45 West, 6th P.M.**



### EXHIBIT 3 – INTERESTED PARTIES

COGCC Application of Angus Natural Resources, LLC (Spacing)  
T15S-R45W, Sec. 14: SW¼NE¼, SE¼NW¼, E½SW¼, W½SE¼  
Cheyenne County, Colorado

Angus Natural Resources, LLC  
(Operator Number 10423)  
1323 East 71<sup>st</sup> Street, Suite 400  
Tulsa, Oklahoma 74136

#### Government Representatives

Rod Pelton  
Local Government Designee  
Cheyenne County  
P. O. Box 567  
Cheyenne Wells CO 80810

Al Trujillo  
Southeast Region Office  
Energy Liaison – Colorado Parks and  
Wildlife  
4255 Sinton Road  
Colorado Springs, CO 80907

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

#### Working Interest Owners

Kimmeridge Arch, LLC  
40 Worth Street, 10<sup>th</sup> Floor  
New York, NY 10013

Chesapeake Exploration, LLC  
P.O. Box 18496  
Oklahoma City, OK 73154-0496

#### Unleased Mineral Owners

Ray D. Francis Trust Agreement  
c/o Richard David Francis, Co-Trustee  
515 Wildindigo Run  
Westerville, OH 43081

Ray D. Francis Trust Agreement  
c/o Randol D. Francis, Co-Trustee  
Zhong Guan Yuan N. Street 126, Apt. 4  
Haidian District  
Beijing, China 100871

Roy Herbert Francis  
98 Hawthorne Ln  
Poplar Bluff, MO 63901

**RECEIVED**  
DEC 01 2015  
**COGCC**

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COLORADO )

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

DOCKET NO. 160100069

CERTIFICATE OF SERVICE

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:

I am counsel of record in this matter. Upon behalf of the Applicant, I certify that on November 25, 2015, I caused a copy of the Spacing Application filed in this matter to be deposited in the United States Mail, first class postage prepaid, addressed to the interested parties listed in Exhibit 3 attached to the Application. Exhibit 3 lists all persons presently known to the Applicant who are entitled to notice pursuant to the rules of the Commission. This certificate of service is made upon personal knowledge.

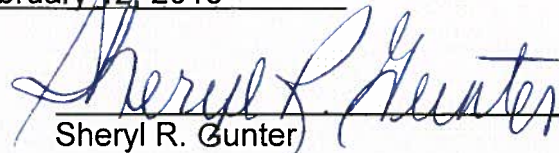
  
\_\_\_\_\_  
David R. Little

Subscribed and sworn to before me this 1<sup>st</sup> day of December, 2015.

Witness my hand and official seal.

My commission expires: February 12, 2018

**SHERYL R. GUNTER**  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 19904001724  
MY COMMISSION EXPIRES FEBRUARY 12, 2018

  
\_\_\_\_\_  
Sheryl R. Gunter  
Notary Public