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

IN THE MATTER OF THE APPLICATION OF) Cause No. 535	
WHITING OIL AND GAS CORPORATION FOR)	
AN ORDER AMENDING ORDER NO. 535-466) Docket No. 16100045	59
TO APPLY COST RECOVERY TO ADDITIONAL)	
WELLS AND ALL OTHER WELLS) Type: POOLING	
AUTHORIZED BY ORDER NO. 535-508 WITHIN)	
AN ESTABLISHED AND POOLED 960-ACRE)	
DRILLING AND SPACING UNIT COVERING	,	
CERTAIN LANDS IN SECTIONS 11 AND 14,)	
TOWNSHIP 10 NORTH, RANGE 58 WEST, 6TH)	
P.M., FOR THE NIOBRARA FORMATION,	,)	
UNNAMED FIELD, WELD COUNTY,	,)	
COLORADO.	,)	
	,	

<u>APPLICATION</u>

Whiting Oil and Gas Corporation ("Applicant"), Operator No. 96155, by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order amending Order No. 535-466 to apply the cost recovery provisions of Section 34-60-116(7), C.R.S., to twelve additional horizontal wells and to all other wells authorized by Order No. 535-508 within the established 960-acre drilling and spacing unit covering the S½ of Section 11 and all of Section 14, Township 10 North, Range 58 West, 6th P.M., for the development and operation of the Niobrara Formation. In support thereof, Applicant states:

- 1. Applicant is a corporation 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 in the following lands ("Application Lands"):

Township 10 North, Range 58 West, 6th P.M.

Section 11: S½
Section 14: All

A reference map of the Application Lands is attached hereto.

3. On March 5, 2012, the Commission entered Order No. 535-150, which established three approximate 960-acre drilling and spacing units and approved up to four horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. The Application Lands are subject to this Order for the Niobrara Formation.

- 4. On March 25, 2013, the Commission entered Order No. 535-296, which approved up to eight horizontal wells within each of the 21 approximate 640 to 960-acre drilling and spacing units, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. The Application Lands are subject to this Order for the Niobrara Formation.
- 5. On May 6, 2013, the Commission entered Order No. 535-314, which approved up to sixteen horizontal wells within each of the 21 approximate 640 to 960-acre drilling and spacing units, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. The Application Lands are subject to this Order for the Niobrara Formation.
- 6. On January 27, 2014, the Commission entered Order No. 535-466, which, pursuant to Section 34-60-116, C.R.S., pooled all interests in a 960-acre drilling and spacing unit for the development and operation of the Niobrara Formation and subjected all nonconsenting interests to the cost recovery provisions of Section 34-60-116(7)(b), C.R.S., for the Razor 14-1143H Well (API No. 05-123-36029). The Application Lands are subject to this Order for the Niobrara Formation.
- 7. On July 28, 2014, the Commission entered Order No. 535-508, which modified Order No. 535-314, among others, to include the Codell Formation and approved an additional sixteen horizontal wells for a total of up to thirty-two horizontal wells within each 640 and 960-acre drilling and spacing unit. The Application Lands are subject to this Order for the Niobrara and Codell Formations.
- 8. Applicant drilled and completed the following wells on the Application Lands (the "Razor Wells"):
 - (a) The Razor 11F-1405A Well (API No. 05-123-38702) was spud January 4, 2015, for the development and operation of the Niobrara Formation;
 - (b) The Razor 11F-1406B Well (API No. 05-123-38699) was spud December 17, 2014, for the development and operation of the Niobrara Formation;
 - (c) The Razor 11F-1407A Well (API No. 05-123-38697) was spud January 18, 2015, for the development and operation of the Niobrara Formation;
 - (d) The Razor 11F-0205A Well (API No. 05-123-38701) was spud February 4, 2015, for the development and operation of the Niobrara Formation;
 - (e) The Razor 11F-0206B Well (API No. 05-123-38703) was spud January 24, 2015, for the development and operation of the Niobrara Formation;

- (f) The Razor 11G-0209A Well (API No. 05-123-38731) was spud January 30, 2015, for the development and operation of the Niobrara Formation;
- (g) The Razor 11G-0210B Well (API No. 05-123-38730) was spud March 3, 2015, for the development and operation of the Niobrara Formation;
- (h) The Razor 11G-0212B Well (API No. 05-123-38732) was spud January 10, 2015, for the development and operation of the Niobrara Formation;
- (i) The Razor 11G-1409A Well (API No. 05-123-38728) was spud February 9, 2015, for the development and operation of the Niobrara Formation;
- (j) The Razor 11G-1410B Well (API No. 05-123-38727) was spud February 2, 2015, for the development and operation of the Niobrara Formation;
- (k) The Razor 11H-0415A Well (API No. 05-123-38601) was spud April 2, 2015, for the development and operation of the Niobrara Formation; and
- (I) The Razor 11H-0215A Well (API No. 05-123-38598) was spud on March 22, 2015, for the development and operation of the Niobrara Formation.
- 9. Applicant requests Order No. 535-466 be amended to apply the cost recovery provisions of Section 34-60-116(7), C.R.S., to the Razor Wells effective retroactive to the date of Order No. 535-466 or the date that the costs specified in Section 34-60-116(7), C.R.S., were first incurred for the drilling of the Razor Wells or other Niobrara Formation well authorized under Commission Order No. 535-508 on the Application Lands, whichever is earlier.
- 10. Applicant further requests that Order No. 535-466 be amended to apply to any other Niobrara Formation well authorized under Commission Order No. 535-508, such that any owner to whom notice is delivered as provided in Commission Rule 530 and who does not elect in writing to lease or participate in such well within the 35-day notice period provided by Commission Rule 530, then such owner shall be deemed nonconsenting as to the proposed well and subject to the cost recovery provisions of Section 34-60-116(7), C.R.S., but only if the proposed well is commenced no later than ninety (90) days after the expiration of the 35-day notice period and completed with due diligence, provided, however, said commencement date may be extended upon written notice by the operator to the other parties for reasons of force majeure. If a proposed well is not commenced prior to or within ninety (90) days after expiration of the thirty-five (35) day notice period (including any extension thereof caused by force majeure) and completed with due diligence, then written notice proposing such well must be resubmitted to all parties in accordance

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with Commission Rule 530 as if no prior proposal had been made, and the parties shall have a new 35-day period within which to lease or consent to participate in such well.

- 11. Applicant further requests that that in order for Applicant to obtain cost recovery under Section 34-60-116(7), C.R.S., for any other Niobrara Formation well authorized under Commission Order No. 535-508 for the Application Lands, Applicant need only submit a certification to the Commission that it has complied with Rule 530 for any such well.
- 12. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at Section 34-60-101, *et seq.*, C.R.S., and the Commission Rules.
- 13. The names and addresses of the interested parties (persons who own an interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto and marked Exhibit A. Applicant certifies that copies of this Application will be served on all locatable interested parties to be pooled within seven (7) days of the date hereof, as required by Commission Rule 507.b(2), and that at least thirty-five (35) days prior to the protest deadline, each such owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the respective wells, and will be provided with the information required by Rule 530.

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:

Amending Order No. 535-466 to (1) apply the cost recovery provisions of Section 34-60-116(7), C.R.S., effective retroactive to the date of Order No. 535-466 or the date that the costs specified in Section 34-60-116(7), C.R.S., were first incurred for the drilling of the Razor Wells or any other Niobrara Formation well authorized by Order No. 535-508 on the Application Lands, whichever is earlier, (2) provide that for any other Niobrara Formation well authorized under Commission Order No. 535-508 on the Application Lands, if any owner to whom notice is delivered as provided in Commission Rule 530 does not elect in writing to lease or participate in such well within the 35-day notice period provided by Commission Rule 530, then such owner shall be deemed nonconsenting as to the proposed well and subject to the cost recovery provisions of Section 34-60-116(7), C.R.S., but only if the proposed well is commenced no later than ninety (90) days after the expiration of the 35-day notice period and completed with due diligence, provided, however, said commencement date may be extended upon written notice by the operator to the other parties for reasons of force majeure. If a proposed well is not commenced prior to or within ninety (90) days after expiration of the notice period of thirty-five (35) days (including any extension thereof caused by force majeure) and completed with due diligence. then written notice proposing such well must be resubmitted to all parties in accordance with Commission Rule 530 as if no prior proposal had been made, and the parties shall have a new 35day period within which to lease or consent to participate in such well, and (3) provide that in order for Applicant to obtain cost recovery under Section 34-60-116(7), C.R.S., for any other Niobrara Formation well authorized under Commission Order No. 535-508 on the Application Lands, Applicant shall submit a certification to the Commission that it has complied with Rule 530 for any such well;

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- B. Providing that the interests of any owners, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Razor Wells, are pooled by operation of statute, pursuant to, Section 34-60-116(7), C.R.S., and made subject to the cost recovery provisions thereof;
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

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 consistent with Applicant's proposals as set forth above.

Dated this day of September, 2016.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By:

Stephen J. Sullivan Joseph C. Pierzchala

Welborn Sullivan Meck & Tooley, P.C.

Attorneys for Applicant

1125 - 17th Street, Suite 2200

Denver, CO 80202 303-830-2500

Applicant's Address:

Whiting Oil and Gas Corporation 1700 Broadway, Suite 2300 Denver, CO 80290-2300

Attn: Scott McDaniel, Regional Land Manager

Phone: 303-390-4261

<u>VERIFICATION</u>

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

Scott McDaniel, Regional Landman with Whiting Oil and Gas Corporation, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

WHITING OIL AND GAS CORPORATION

Scott McDaniel, Regional Landman

Subscribed and sworn to before me this ______day of September, 2016 by Scott McDaniel, Regional Landman for Whiting Oil and Gas Corporation.

Witness my hand and official seal.

MICHELLE MURPHY NOTARY PUBLIC STATE OF COLORADO NOTARY ID # 20154023719 MY COMMISSION EXPIRES JUNE 16, 2019

Notary Public

My Commission Expires:

EXHIBIT A

INTERESTED PARTIES

Royalty Interest Owners

Atomic Capital Minerals LLC
Claudia Leslie Hickey
Dennis L Daniels
Donald Fridley
Jean Allan Wilson
John G Daniels
Joyce E Wagner

Judy Gould

Karen E Marvel-Naso

Keith E Fairbairn

Kenneth Fridley

Kenneth L Morrell

Laura Jean Moss

Margot Ann Grant

Michael D Fridley

Smith Family Mineral Trust

Phillip E Coon

Roxanne Klas

Scott Allan

Timbro Ranch & Cattle Co LLC

Top Brass Oil Properties

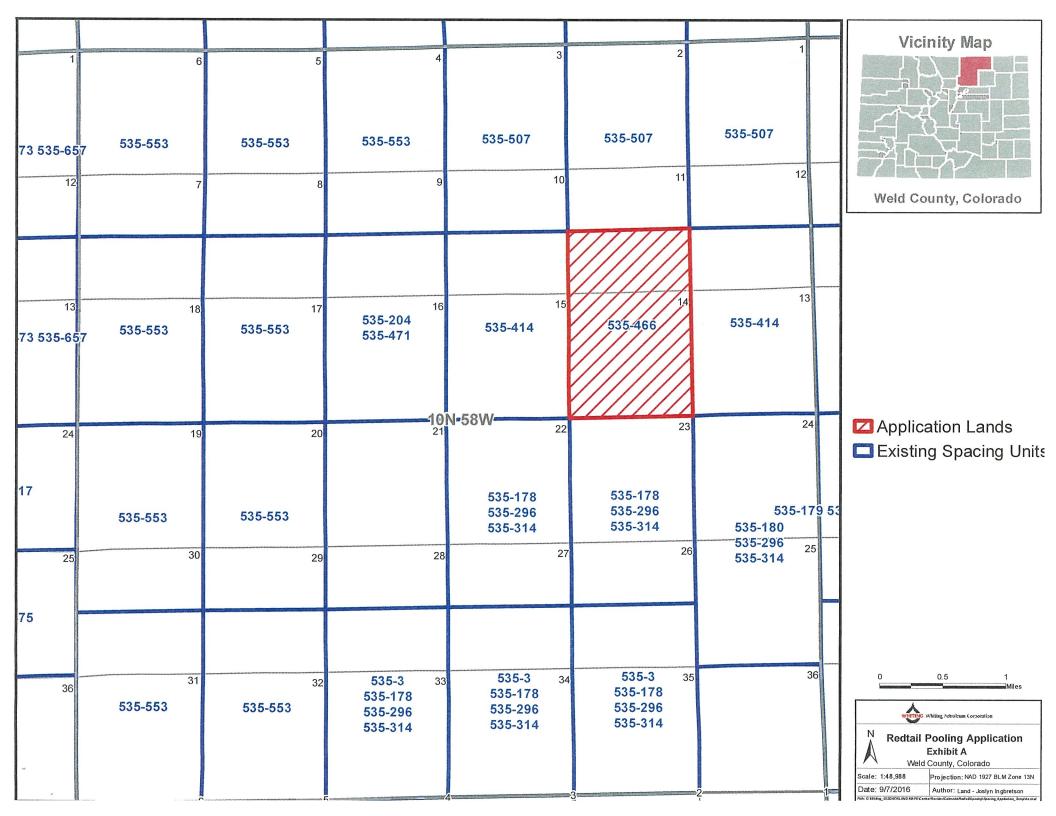
Weld County School District No. RE-11, a/k/a Prairie School District RE-11J

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Working Interest Owners

Calier DP LLC
Chatfield DP LLC
Hymco DP LLC
Okreek Oil and Gas LLC
Vectra Energy OP I-A LLC
Whiting Oil & Gas Corporation

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TOWNSHIP 10 NORTH, RANGE 58 WEST, 6TH)
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UNNAMED FIELD, WELD COUNTY,	j
COLORADO.)

AFFIDAVIT OF MAILING

STATE OF COLORADO §

CITY AND COUNTY OF DENVER §

I, Joseph C. Pierzchala, of lawful age, and being first duly sworn upon my oath, state and declare:

That I am the attorney for Whiting Oil and Gas Corporation and that on or before September 2016, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Joseph 🕻 /Pierzchala

Subscribed and sworn to before me September 5, 2016.

Witness my hand and official seal.

MELISSA A. MORMAN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894012434 MY COMMISSION EXPIRES AUGUST 29, 2017

Notary Public

My commission expires: