

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

IN THE MATTER OF THE APPLICATION OF)	Cause No. 407
PETRO OPERATING COMPANY LLC FOR)	
AN ORDER ESTABLISHING AN)	Docket No. 180300178
APPROXIMATE 480-ACRE DRILLING AND)	
SPACING UNIT AND ESTABLISHING WELL)	Type: SPACING
LOCATION RULES APPLICABLE TO THE)	
DRILLING AND PRODUCING OF WELLS)	
FROM THE CODELL AND NIOBRARA)	
FORMATIONS COVERING CERTAIN LANDS)	
IN TOWNSHIP 2 NORTH, RANGE 66 WEST,)	
6TH P.M., WATTENBERG FIELD, WELD)	
COUNTY, COLORADO.)	

APPLICATION

Petro Operating Company LLC ("Applicant"), Operator No. 10583, by 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 establishing an approximate 480-acre drilling and spacing unit and establishing well location rules applicable to the drilling of wells and producing of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations covering certain lands in Weld County, Colorado. In support of its Application, Applicant states:

1. Applicant is a Colorado limited liability company duly authorized to conduct business in the State of Colorado and is a registered operator in good standing with the Commission.
2. Applicant owns leasehold interests in the following lands ("Application Lands") and therefore is an owner, as defined by the Colorado Oil and Gas Conservation Act and Commission Rules, with the right to drill:

Township 2 North, Range 66 West, 6th P.M.
 Section 19: W½
 Section 30: NW¼

A reference map of the Application Lands is attached hereto.

3. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended on August 8, 2011 to, among other things, address the drilling of horizontal wells and requires that a horizontal wellbore spacing unit must include any governmental quarter-quarter section that are located less than 460' from the completed interval of the wellbore lateral. Rule 318A supersedes all prior Commission drilling and

spacing orders affecting well location and density requirements of the Greater Wattenberg Area. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area. The Application Lands are subject to this Rule.

4. On January 26, 2015, the Commission issued Order No. 407-1201, which pooled all interests in an approximate 720-acre designated horizontal wellbore spacing unit established for the $W\frac{1}{2}W\frac{1}{2}$ of Sections 19 and 30 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 31, Township 2 North, Range 66 West, 6th P.M., and the $E\frac{1}{2}E\frac{1}{2}$ of Sections 24 and 25, and the $NE\frac{1}{4}NE\frac{1}{4}$ of Section 36, Township 2 North, Range 67 West, 6th P.M., for the development and operation of the Niobrara Formation and subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., for the Gee 16N-25HZ Well. The Gee 16N-25HZ Well is currently producing from the Niobrara Formation and is located entirely within the $E\frac{1}{2}E\frac{1}{2}$ of Sections 24 and 25, and the $NE\frac{1}{4}NE\frac{1}{4}$ of Section 36, Township 2 North, Range 67 West, 6th P.M., which is outside Applicant's proposed drilling and spacing unit. Applicant states that the Gee 16N-25HZ Well will remain subject to its governing designated horizontal wellbore spacing unit and Order No. 407-1201 and should continue to pay and distribute proceeds in accordance therewith.

5. There are vertical wells within the above-described proposed 480-acre drilling and spacing unit that are currently shut-in that have produced from the Codell and/or Niobrara Formations. Applicant states those wells will not be affected by the proposed spacing unit and order and will remain subject to applicable Commission rules and spacing orders such that proceeds from the sale of oil or gas from those wells shall continue to be distributed based on the applicable rules and spacing orders.

6. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, Applicant requests that the Commission establish an approximate 480-acre drilling and spacing unit covering the below-described Application Lands for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations:

Township 2 North, Range 66 West, 6th P.M.

Section 19: $W\frac{1}{2}$

Section 30: $NW\frac{1}{4}$

7. Applicant is requesting authorization to drill and complete one (1) horizontal well in the above-described drilling and spacing unit with the option to drill and complete up to a total of twelve (12) horizontal wells in the unit for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. Applicant further requests that the treated interval of each wellbore be located no closer than 150 feet from the treated interval of any other wellbore producing from the Codell and/or Niobrara Formations, and no closer than 460 feet from the unit boundary, without exception being granted by the Director.

8. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Codell and Niobrara Formations, prevents waste, does not adversely affect correlative rights, and assures the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Codell and Niobrara Formations. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the authorized wells in the unit. Applicant further maintains that the authorized wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

9. Applicant states that the authorized wells will be drilled from one well pad located within the unit and/or from a legal location on adjacent lands, without exception granted by the Director.

10. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within seven days after filing of the original application as required by Rules 503.e and 507.b.(1).

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 18th day of January, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____


Joseph C. Pierzchala
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
1125 17th Street, Suite 2200
Denver, CO 80202
303-830-2500
jpierzchala@wsmtlaw.com

Applicant's Address:

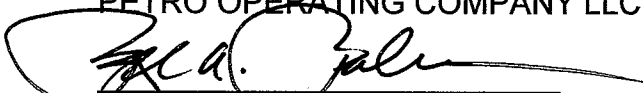
Petro Operating Company LLC
9033 East Easter Place, Suite 112
Centennial, CO 80112-2105
Attn: Roger A. Parker, Manager
Phone: 303-475-5640

VERIFICATION

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

Roger A. Parker, Manager of Petro Operating Company LLC, 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.

PETRO OPERATING COMPANY LLC



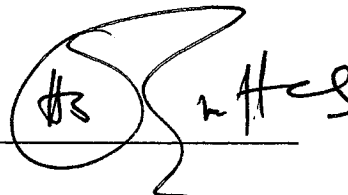
Roger A. Parker, Manager

Subscribed and sworn to before me this 18 day of January, 2018 by Roger A. Parker, Manager of Petro Operating Company LLC.

Witness my hand and official seal.

EMMANUEL ABROKWAH
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154029277
MY COMMISSION EXPIRES JULY 27, 2019

Notary Public



My Commission Expires: 07-27-2019

EXHIBIT A

INTERESTED PARTIES

Colorado Department of Public Health and Environment

Kent Kuster
4300 Cherry Creek Drive South
Denver, CO 80246-1500

Colorado Parks and Wildlife

Brandon Marette
Northeast Region Office
6060 Broadway
Denver, CO 80216

Weld County

Troy Swain
Department of Planning Services
1555 North 17th Avenue
Greeley CO 80631

City of Fort Lupton

Todd Hodges
130 South McKinley Avenue
Fort Lupton CO 80621

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
EXHIBIT A CONTINUED ON NEXT PAGE

EXHIBIT A

INTERESTED PARTIES

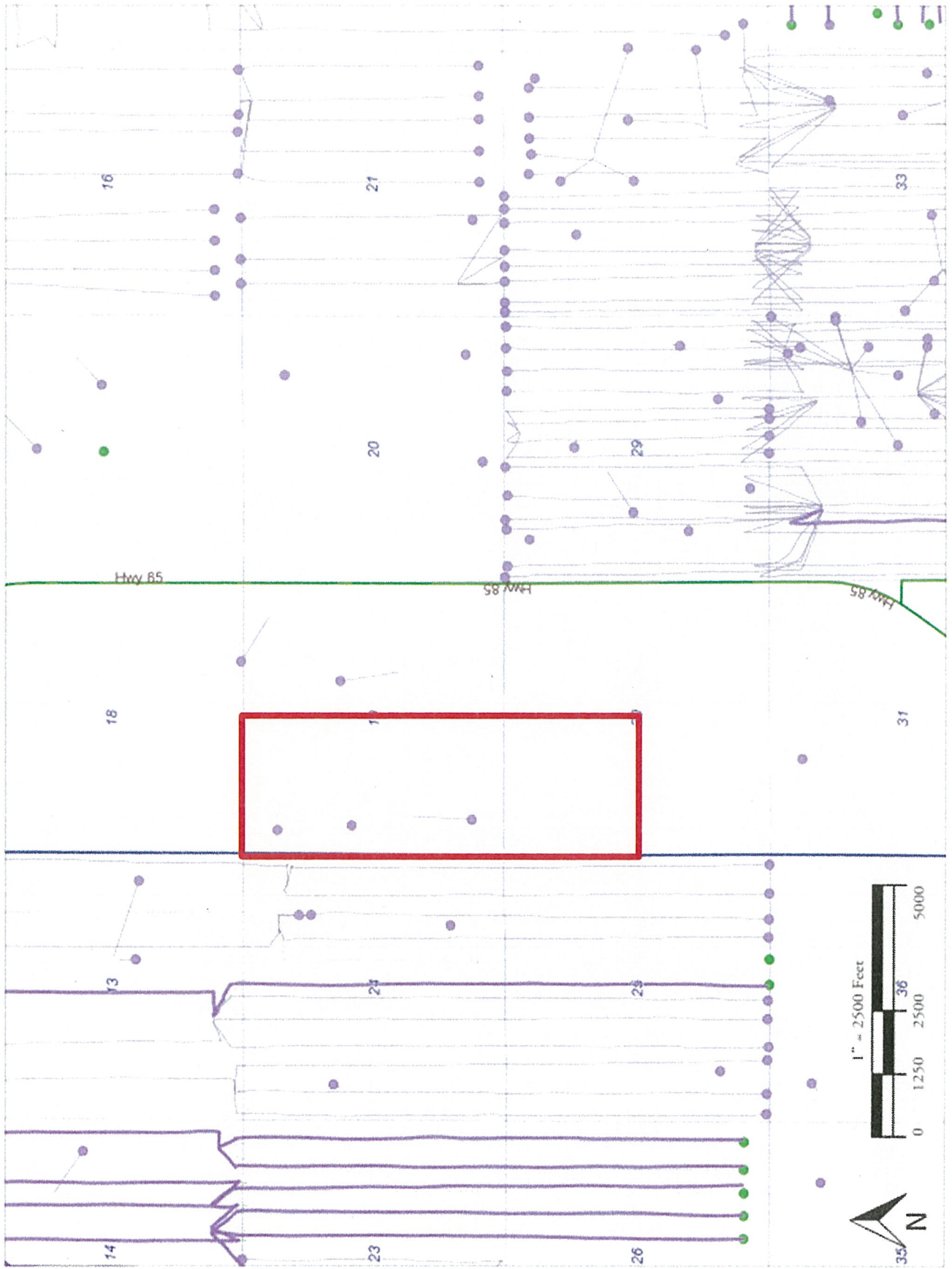
Kerr-McGee Oil & Gas Onshore LP
1099 18th St., Suite 1800
Denver, CO 80217

Murray J. Herring
10881 W. Asbury Ave., Suite 230
Lakewood, CO 80227

DJ Partners, LLC
9033 E. Easter Place, Suite 112
Centennial, CO 80112

Top Operating
10881 W. Asbury Ave., Suite 230
Lakewood, CO 80227

MAP OF APPLICATION LANDS



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

IN THE MATTER OF THE APPLICATION OF) Cause No. 407
PETRO OPERATING COMPANY LLC FOR)
AN ORDER ESTABLISHING AN) Docket No. 180300178
APPROXIMATE 480-ACRE DRILLING AND)
SPACING UNIT AND ESTABLISHING WELL) Type: SPACING
LOCATION RULES APPLICABLE TO THE)
DRILLING AND PRODUCING OF WELLS)
FROM THE CODELL AND NIOBRARA)
FORMATIONS COVERING CERTAIN LANDS)
IN TOWNSHIP 2 NORTH, RANGE 66 WEST,)
6TH P.M., WATTENBERG FIELD, WELD)
COUNTY, 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 Petro Operating Company LLC and that on or before January 24, 2018, 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.

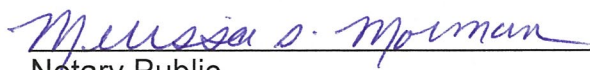


Joseph C. Pierzchala

Subscribed and sworn to before me January 30, 2018.

Witness my hand and official seal.

MELISSA A. MORMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894012434
MY COMMISSION EXPIRES AUGUST 29, 2021



Notary Public

My commission expires: 8/29/2021