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

IN THE MATTER OF THE APPLICATION OF GREAT WESTERN OPERATING COMPANY. LLC FOR AN ORDER TO POOL ALL INTERESTS IN THREE (3) APPROXIMATE 640-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS FOR PORTIONS OF SECTIONS 2 AND 3, TOWNSHIP 4 NORTH, RANGE 67 WEST, 6^{†H} P.M., FOR THE DEVELOPMENT OF THE **NIOBRARA** FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

TYPE: POOLING

APPLICATION

COMES NOW Great Western Operating Company, LLC (Operator No. 10110) ("Great Western" or "Applicant"), by its attorneys, Jost Energy Law, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests in three (3) approximate 640-acre designated horizontal Wellbore Spacing Units, as defined below, for the drilling of the Kielian HD 03-219HN (API No. pending) in WSU #1, the Kielian HD 03-219HNX (API No. pending) in WSU #2, and the Kielian HD 03-222HN (API No. pending) in WSU #3 (together, the "Wells") for the development and operation of the Niobrara Formation on the following described lands:

Township 4 North, Range 67 West, 6th P.M.

Section 2: S½N½, N½S½ Section 3: S½N½, N½S½

640-acres, more or less, Weld County, Colorado.

Hereinafter "Application Lands."

In support thereof, 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 a registered operator in good standing with the Commission.
- 2. Applicant owns certain leasehold interests or has the right to operate leasehold interests in the Application Lands.
- 3. On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and

spacing units for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations, the Codell Formation, and the Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

- 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 of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to 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 to, among other things, address drilling of horizontal wells.
- 5. On various dates prior to the date of this Application, the Commission entered the following Orders pooling established Wellbore Spacing Units on the Application Lands:
- a. On January 13, 2011, the Commission entered Order No. 407-382 which, among other things, pooled all nonconsenting interests five designated wellbore spacing units in certain portions of Section 2, Township 4 North, Range 67 West, 6th P.M., to accommodate the Coulson 2-13, Coulson 2-14, Coulson 2-22, Coulson 2-24 and Coulson 2-54 wells for the development and operation of the Codell and Niobrara Formations. This Order is a wellbore-specific order and will not affect this Application.
- b. On August 29, 2016, the Commission entered Order No. 407-1778 which, among other things, established a 640-acre drilling and spacing unit for certain portions of Sections 2 and 3, Township 4 North, Range 67 West for the development and operation of the Codell and Niobrara Formations. This Order will not affect this Application.
- c. On March 20, 2017, the Commission entered Order No. 407-1906 which, among other things, to allow for up to twelve (12) wells in an established a 640-acre drilling and spacing unit under Docket No. 407-1778 for certain portions of Sections 2 and 3, Township 4 North, Range 67 West for the development and operation of the Codell and Niobrara Formations. This Order will not affect this Application.
- 6. Applicant designated the 640-acre Wellbore Spacing Units for the production of oil, gas and associated hydrocarbons from the Niobrara Formation pursuant to Rule 318A and notified the appropriate parties under Rule 318A.
- 7. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any non-consenting interests, in the Application Lands in the Niobrara Formation underlying the following approximate 640-acre Wellbore Spacing Unit for the drilling of the Kielian HD 03-219HN (API No. pending):

Township 4 North, Range 67 West, 6th P.M.

Section 2: S½N½, N½S½ Section 3: S½N½, N½S½

(throughout as "WSU #1")

- 8. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Kielian HD 03-219HN (API No. pending) to the Niobrara Formation in the above-described Wellbore Spacing Unit on the Application Lands.
- 9. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any non-consenting interests, in the Application Lands in the Niobrara Formation underlying the following approximate 640-acre Wellbore Spacing Unit for the drilling of the Kielian HD 03-219HNX (API No. pending):

Township 4 North, Range 67 West, 6th P.M.

Section 2: \$\frac{1}{2}\N\frac{1}{2}, \N\frac{1}{2}\frac{1}{2}\]
Section 3: \$\frac{1}{2}\N\frac{1}{2}, \N\frac{1}{2}\frac{1}{2}\]

(throughout as "WSU #2")

- 10. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Kielian HD 03-219HNX (API No. pending) well to the Niobrara Formation in the above-described Wellbore Spacing Unit on the Application Lands.
- 11. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any non-consenting interests, in the Application Lands in the Niobrara Formation underlying the following approximate 640-acre Wellbore Spacing Unit for the drilling of the Kielian HD 03-222HN (API No. pending):

Township 4 North, Range 67 West, 6th P.M.

Section 2: S½N½, N½S½ Section 3: S½N½, N½S½

(throughout as "WSU #3")

12. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Kielian HD 03-222HN (API No.

pending) well to the Niobrara Formation in the above-described Wellbore Spacing Unit on the Application Lands.

- 13. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 503.e., and that at least thirty-five (35) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Wells, and will be provided with the information required by Rule 530 as applicable.
- 14. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Units should be pooled for the orderly development and operation of the Niobrara Formation, including any non-consenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing in September 2017, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

- A. Pooling all interests in three (3) approximate 640-acre designated horizontal Wellbore Spacing Units on the Application Lands for the development and operation of the Niobrara Formation.
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Kielian HD 03-219HN (API No. pending) in WSU #1, the Kielian HD 03-219HNX (API No. pending) in WSU #2, and the Kielian HD 03-222HN (API No. pending) in WSU #3 for the development and operation of the Niobrara Formation on the Application Lands.
- C. 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 Wells are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to the Wells drilled to develop the Niobrara Formation in the 640-acre Wellbore Spacing Units comprising the Application Lands.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

Dated: July <u>/</u>, 2017.

Respectfully submitted:

GREAT WESTERN OPERATING COMPANY, LLC

By:

Jamie L. Jost

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Applicant's Address:

Great Western Operating Company, LLC ATTN: Santiago Rodriguez 1801 Broadway, Suite 500 Denver, CO 80202

VERIFICATION

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

Santiago Rodriguez, of lawful age, being first duly sworn upon oath, deposes and says that he is the Senior Landman for Great Western Operating Company, 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.

Santiago Rodrigue

Senior Landman

Great Western Operating Company, LLC

Subscribed and sworn to before me this /2 day of July 2017.

Witness my hand and official seal.

[SEAL]

DONNA M. TALBOTT NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20114015841 COMMISSION EXPIRES MAR. 14, 2019

My commission expires: 3//4//9

Notary Public