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

IN THE MATTER OF THE APPLICATION OF WARD)
PETROLEUM CORPORATION FOR AN ORDER TO) CAUSE NO. 407
AMEND 640-ACRE DRILLING AND SPACING)
UNITS AND ESTABLISH A 1,280-ACRE DRILLING) DOCKET NO. 171000690
AND SPACING UNIT FOR HORIZONTAL WELLS TO)
THE CODELL AND NIOBRARA FORMATIONS)
IN SECTIONS 18 AND 19, TOWNSHIP 1 SOUTH,) TYPE: SPACING
RANGE 66 WEST, WATTENBERG FIELD)
ADAMS COUNTY, COLORADO	· ·

AMENDED VERIFIED APPLICATION

COMES NOW, Ward Petroleum Corporation ("Applicant" or "Ward"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits it's **Amended** Verified Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to amend 640-acre drilling and spacing units, and establish a 1,280-acre drilling and spacing unit in Sections 18 and 19, Township 1 South, Range 66 West, 6th P.M, for horizontal wells to the Codell and Niobrara Formations, Wattenberg Field, Adams County, Colorado, and in support states as follows:

Background and Existing Orders

- 1. Ward is duly organized and authorized to conduct business in the State of Colorado, and is an operator in good standing with the Commission, Operator No. 10359.
- 2. Ward owns leasehold interests in the following described lands in Adams County, Colorado, containing approximately 1,280-acres (hereinafter, the "Application Lands"):

Township 1 South, Range 66 West, 6th P.M. Sections 18 and 19

- 3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.
- 4. On April 28, 2014, the Commission entered Order No. 407-996, which established a 640-acre drilling and spacing unit for Section 19, Township 1 South, Range 66 West, 6th P.M., and authorized the drilling of one horizontal well in such unit to the Codell or Niobrara Formations, with the producing interval of the wellbore located no closer than 460-feet from the unit boundaries and no closer than 150 feet from the productive interval of any other wellbore located in the unit without exception being granted by the Director of the Commission. Section 19 of the Application Lands is subject to Order 407-996 for the Codell and Niobrara Formations.

- 5. On December 15, 2014, the Commission entered Order No. 407-1159, which increased to twelve (12) the number of wells which could be drilled in the 640-acre drilling and spacing unit previously established by Order 407-996 for Section 19, Township 1 South, Range 66 West, 6th P.M., for production of oil, gas and associated hydrocarbons from horizontal wells to the Codell and Niobrara Formations. Section 19 of the Application Lands is subject to Order 407-1159 for the Codell and Niobrara Formations
- 6. On December 15, 2014, the Commission also entered Order No. 407-1162, which established a 640-acre drilling and spacing unit for Section 18, Township 1 South, Range 66 West, 6th P.M., and authorized the drilling of up to twelve (12) horizontal well in such unit to the Codell or Niobrara Formations, with the productive interval of the wellbores located no closer than 460-feet from the unit boundaries and no closer than 150-feet from the productive interval of any other wellbore located in the unit without exception being granted by the Director of the Commission. Section 18 of the Application Lands is subject to Order 407-1162 for the Codell and Niobrara Formations
- 7. On January 26, 2016, the Commission entered Order No. 407-1635, which pooled the 640-acre drilling and spacing unit for Section 18, Township 1 South, Range 66 West, 6th P.M., which had been established under Order 407-1162 for production of oil, gas and associated hydrocarbons from horizontal wells to the Codell and Niobrara Formations, and applied the cost recovery provisions of C.R.S. §34-60-116(7) to any non-consenting owners within said unit for the Anderson #18-3-9HC and Anderson #18-3-11HC wells. Section 18 of the Application Lands is subject to Order 407-1635 for the Codell and Niobrara Formations.

Existing and Proposed Future Horizontal Wells in the Application Lands.

- 8. Commission records reflect that one well has been drilled and is currently producing from the Codell Formation in the 640-acre unit composed of Section 18, Township 1 South Range 66 West, 6th P.M., the Anderson #18-3-11HC **Well** (API #05-01-09941). **Said Well has produced and is being paid on the 640-acre statutorily pooled unit composed of said Section 18.**
- 9. Commission records also reflect that one well has been drilled and is currently producing from the Codell formation in the 640-acre unit composed of Section 19, Township 1 South Range 66 West, 6th P.M., the Anderson #19-1-10HC **Well** (API #05-01-09847). **Said Well has produced and is being paid on the 640-acre unit composed of said Section 19.**
- 10. Both the Anderson #18-3-11HC and Anderson #19-1-10HC wells were drilled by Ward from a single pad located in the SW¼ of said Section18 (the "Anderson Pad").
- 11. Ward desires to drill up to a total of six (6) horizontal wells from the existing Anderson Pad to the Codell and/or Niobrara Formations in the 640-acre unit composed of Section 18, which was established by Order 407-1162. Ward has already drilled the Anderson #18-3-11HC (API #05-01-09941), and has permitted the Anderson #18-3-9HC (API #05-01-09936), the Anderson #18-3-10HC (API #05-01-09938), the Anderson #18-3-8HN (API #05-01-09939) and the Anderson #18-3-12HN (API #05-01-09940), with one additional well yet to be permitted..
- 12. Ward also desires to drill up to a total of six (6) horizontal wells from the existing Anderson Pad to the Codell and/or Niobrara Formations in the 640-acre units composed of Section 19, which was established by Orders 407-996 and 407-1159. Ward has already drilled the

Anderson #19-1-10HC (API #05-01-09847), and has permitted the Anderson #19-1-8HC (API #05-01-09937), Anderson #19-1-11HN, the (API #05-01-09942), the Anderson #19-1-9HN (API #05-01-09943), and the Anderson #19-1-12HC (API #05-01-09944), with one additional well yet to be permitted.

13. Ward also desires to drill and complete up to twenty **three** (23) horizontal wells from its existing Brighton Lakes Pad located in the SW½ of Section 20, Township 1 South, Range 66 West to the 6th P.M., to the Codell and/or Niobrara Formations on a 1,280-acre drilling and spacing unit composed of the Application Lands, with the treated interval of each such horizontal well being no closer than 460-feet from the boundaries of the unit, and no closer than 150-feet from the treated interval of any well producing from the Codell and/or Niobrara Formations, without exception being granted by the Director of the Commission.

The Order Requested.

- 14. Applicant therefore requests an order to:
- (a) amend spacing Order 407-1162 and pooling Order 407-1635 to reduce the number of authorized horizontal wells to **the Codell and Niobrara Formations** in the **640-acre drilling and spacing** unit composed of said Section 18 to **one** (1), the existing Anderson #18-3-11HC well (API #05-01-09941) and up to five (5) additional wells as specified above;
- (b) amend spacing Order 407-1162 to reduce the number of authorized wells in the **640-acre drilling and spacing** unit composed of Section 19 to **one** (1), the Anderson #19-1-10HC well (API #05-01-09847), and up to five (5) additional wells as specified above; and
- (c) (i) establish the Application Lands as an approximate 1,280-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, (ii) authorize up to twenty-**three** (23) horizontal wells to be drilled in such drilling and spacing unit to said Formations from the existing Brighton Lakes pad in the SW1/4 of Section 20, Township 1 South, Range 66 West of the 6th P.M. and (iii) provide that the treated interval of any such horizontal well shall be no closer than 460-feet from the boundaries of the unit, and no closer than 150-feet from the treated interval of any well producing from the Codell and/or Niobrara Formations, without exception being granted by the Director of the Commission.
- 15. The requested order should further provide that all horizontal wells in the existing 640- acre drilling and spacing units composed of Section 18 and Section 19 respectively, must be drilled from the existing Anderson Pad, without exception being granted by the Director of the Commission.
- 16. The requested order should further provide that all horizontal wells drilled in the 1,280-acre drilling and spacing unit to be formed must be drilled from **no more than two pads on the unit or adjacent lands** the existing Brighton Lakes Pad, without exception being granted by the Director of the Commission.

Basis for Requested Order.

- 17. The granting of the requested order will permit the efficient production of the Codell and Niobrara Formations in the Application Lands, while minimizing surface disturbance and maximizing the efficient use of existing drilling pads and production equipment. The requested order would permit all wells necessary for the efficient and effective drainage of the Codell and Niobrara Formations in the Application Lands to be drilled from existing pads, and to a large extent without duplication of production equipment.
- 18. The requested amendments to Orders 407-1162, 407-1635 and 407-1162, together with the establishment of an approximate 1,280-acre drilling and spacing unit on the Application Lands, and the provision for up to twenty-**three** (23) additional-horizontal wells therein, will permit the economic and efficient drainage of the Codell and Niobrara Formations, will prevent waste, will not adversely affect correlative rights, and will-help assure the greatest ultimate recovery of oil and associated hydrocarbons from the Codell and Niobrara Formations.
- 19. A drilling and spacing unit of 1,280 acres composed of the Application Lands is not smaller than the maximum area which can be economically and efficiently drained by a single horizontal well to the Codell or Niobrara Formation in the Application Lands.
- 20. The proposed horizontal wells can be developed in a manner consistent with protection of the environment, public health, safety and welfare.
- 21. Where it does not result in injury to correlative rights, the Commission has previously established 1,280-acre drilling and spacing units in the Wattenberg Field, while leaving previously established 640-acre drilling and spacing units in place for existing wells, with both units covering the same lands. See for instance Order 407- 1307. Because a single horizontal wells has been drilled to, and has been paying on each of the two existing 640-acre units, and one of such existing 640-acre units has been statutorily pooled, permitting such units to remain for production for such existing wells will protect the correlative rights of owners in each such unit.
- 22. The granting of the requested relief will result in an effective well density of twenty-four (24) horizontal wells to the Codell and Niobrara Formations in the Application Lands. The Commission has entered orders approving such well density in the Wattenberg Field on many occasions.
- 23. The proposed 1280-acre drilling and spacing unit composed of the Application Lands contains federal leased and/or unleased minerals. Ward agrees to apply to the Bureau of Land Management ("BLM") for a Communitization Agreement ("CA") for any horizontal well in an existing 640-acre unit described herein which contains federal leased and/or unleased minerals within 60 days of the entry of the requested order. Ward also agrees to apply to the BLM for a CA within 90 days from the date of first production (as defined in the COGCC Rules) from the initial well drilled in the requested 1280-acre drilling and spacing unit.
- 24. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth on **Exhibit A** attached hereto and made a part hereof.

- 25. A location plat for the first proposed horizontal well to be drilled in the requested 1,280-acre drilling and spacing unit, is attached as **Exhibit B** hereto and made a part hereof.
- 26. A plat showing the proposed 1,280-acre drilling and spacing unit is attached as **Exhibit C** hereto and made a part hereof.

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

- A. Amend spacing Order 407-1162 and pooling Order 407-1635 to reduce the number of authorized horizontal wells to **one** (1), the existing Anderson #18-3-11HC well (API #05-01-09941); and the permitted Anderson #18-3-9HC (API #05-01-09936), the Anderson #18-3-10HC (API #05-01-09938), the Anderson #18-3-8HN (API #05-01-09939) and the Anderson #18-3-12HN (API #05-01-09940); with one additional well yet to be permitted.
- B. Amend spacing Order 407-1162 to reduce the number of authorized wells to **one** (1), the existing Anderson #19-1-10HC well (API #05-01-09847).), and the permitted the Anderson #19-1-8HC (API #05-01-09937), Anderson #19-1-11HN, the (API #05-01-09942), the Anderson #19-1-9HN (API #05-01-09943), and the Anderson #19-1-12HC (API #05-01-09944); with one additional well yet to be permitted.
- C. Establish the Application Lands as an approximate 1,280-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and authorize up to twenty-**three** (23) horizontal wells to be drilled in such drilling and spacing unit to said Formations from the existing Brighton Lakes pad in the SW1/4 of Section 20, Township 1 South, Range 66 West of the 6th P.M. and provide that the treated interval of each such horizontal well shall be no closer than 460-feet from the boundaries of the unit, and no closer than 150-feet from the treated interval of any well producing from the Codell and/or Niobrara Formations, without exception being granted by the Director of the Commission.
- D. Provide that all horizontal wells in the existing 640 acre drilling and spacing units composed of Section 18 and Section 19 respectively, must be drilled from the existing Anderson Pad without exception being granted by the Director of the Commission.
- E. Provide that all horizontal wells drilled in the 1,280-acre drilling and spacing unit to be formed must be drilled from **no more than two pads in the unit or adjacent lands** the existing Brighton Lakes Pad without exception being granted by the Director of the Commission.
- F. Provide such other and further relieve consistent with the above requests that the Commission deems just and appropriate.

Dated: **January 10, 2018**

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: Daid GEbur

J. Michael Morgan #7279
David Ebner #7743
950 North Cherry Street, Suite 900
Denver, CO 80246
(303) 753-9000; (303) 753-9997 (fax)
mmorgan@lohfshaiman.com

Applicant's Address:
Ward Petroleum Corporation
215 West Oak Street, Suite 1000
Fort Collins, Colorado 80521
(970) 449-4632
kcraig@wardpetroleumfc.com

VERIFICATION

STAT	E OF COLORADO) ss.
COUN	ITY OF LARIMER)
that:	The undersigned, of lawful	age, having been first sworn upon his oath, deposes and states
mainta		ockies for the Applicant, Ward Petroleum Corporation and Dak Street, Suite 1000, Fort Collins, Colorado 80521.
thereir and be	n, and states that said facts	going Verified Application, is familiar with the facts set forth are true and correct to the best of his knowledge, information
	Further Affiant sayeth not.	
,		Kent Craig
Subsci	ribed and sworn to before m	ne this <u>///</u> day of January, 2018 .
	Witness my hand and offici My commission expires: _/c	al seal. 2/31/21
Λ	LISA R LABRACKE NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20134080415 IY COMMISSION EXPIRES DEC. 31, 202	Notary Public

EXHIBIT "A"

TO APPLICATION OF WARD PETROLEUM CORPORATION

Christopher Simmons Adams County Community and Economic Development 4300 S. Adams County Pkwy Brighton, CO 80601

Kent Kuster, Oil & Gas Cons.Coor. Colorado Dept Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1500

Tom Shreiner, Energy Liaison Colorado Div of Parks & Wildlife 6060 Broadway Denver, CO 80216

U.S. Department of the Interior Bureau of Land Management 2850 Youngfield Street Lakewood, CO 80215

Sean Flanagan Extraction Oil & Gas 370 17th Street, Ste. 5300 Denver, CO 80202

Matt Acree Great Western Operating Co. 1801 Broadway, Ste. 500 Denver, CO 80202

Robert H. Hattendorf 17126 Road 32 Chappell, NE 69129

RVP Incorporated 7839 Spruce Court Thornton, CO 80602

Colorado Dept Transportation c/o Receipts & Deposits 4201 E. Arkansas Ave, #212 Denver, CO 80222

Debora M. Palizzi 14840 Sable Boulevard Brighton, CO 80601

Palizzi & Son Inc. 14820 Sable Boulevard Brighton, CO 80601 Jim Rivas & Janet Rivas 10297 Dowling Way Highlands Ranch, CO 80126

Eugene L & A Marilyn Anderson 286 Apache Plume Street Brighton, CO 80601

Sampson Family LTD Partnership Attn: John J. Sampson P. O. Box 468 Brighton, CO 80601

Kurt R. Gross 14561 Young Drive Brighton, CO 80601

Lara L & Mark A Mitchell 14599 Chambers Road Brighton, CO 80601

Nora Lee Bradley aka Nora Lee Von Struve 3661 W. 101st Avenue Westminster, CO 80031

Donald L & Winona S Woodworth 14575 Young Drive Brighton, CO 80601

Judy A. Stevens 14570 Young Drive Brighton, CO 80601

Lammers Family Trust Terry Lammers, Trustee 23602 E Mississippi Circle Aurora, CO 80018

City of Brighton 500 S 4th Avenue Brighton, CO 80601

Petro Operating Company 915 W Lehigh Avenue, #1394 Englewood, CO 80150

Lois Fretter 14505 Country Hills Drive Brighton, CO 80601 Edie Stewart-Dunbar 14291 E 144th Avenue Brighton, CO 80601

Sharon K. Schaubs 7577 Parkview Mountain Littleton, CO 80127

SLKL Properties LLC 180 E Bromley Lane Brighton, CO 80601

Larry D. Wambolt 14805 Pecos Street Westminster, CO 80023

Fulton Irrigating Ditch Co. 25 S 4th Avenue Brighton, CO 80601

Anselmo Rodriguez 5514 Royal Pine Street Brighton, CO 80601

RBK LLC Attn: W. Russell Pilcher 1209 Sarah Court Highlands Ranch, CO 80126

Milton C. Wambolt Trust fbo Deborah A Fredrickson 14805 Pecos Street Westminster, CO 80023

The Bernard Wagner Trust 14801 E. 144th Avenue Brighton, CO 80601

Phyllis K. Mayhew Trust 14801 E. 144th Avenue Brighton, CO 80601

PT Petro Holdings LLC 500 Newport Center Dr, #850 Newport Beach, CA 92660

A R Hallock & Co. c/o Anne Smith P. O. Box 16548 Golden, CO 80402

Jerry D & Anne E Anderson, JT 14605 Sable Boulevard Brighton, CO 80601

Joe Butler 795 Newland Court Boulder, CO 80303 Alys Veal 3342 W 109th Circle Westminster, CO 80031

148th & Sable Blvd Bldg LLC 1289 S 4th Avenue, #100 Brighton, CO 80601

RV Storage LLC 7839 Spruce Court Thornton, CO 80602

Joanna Sakata Living Trust P. O. Box 508 Brighton, CO 80601

Caprice Realty Investments 201 Steele Street, #3C Denver, CO 80206

Gloria A Bennett Estate 14840 Sable Boulevard Brighton, CO 80601

Solaire Apartments LLC 300 Water Street, #300 Wilmington, DE 19801

Carol Wright aka Carol Schloo-Wright P. O. Box 40 Julian, CA 92036

Donna R Jones 14475 Country Hills Drive Brighton, CO 80601

Jerry W & Lisa H Spainhower, JT 14531 Country Hills Drive Brighton, CO 80601

Darlene L Grayson 14470 Country Hills Dr Brighton, CO 80601

Linda L Johnson 13821 E 144th Aveue Brighton, CO 80601

Walmart RE Business Trust c/o Property Tax Department POB 8050 MS 0555 Bentonville, AR 72712 State of Colorado Dept of Human Services 1575 N Sherman Street Denver, CO 80203

P F #5 LLC 3930 Max Place Boynton Beach, FL 33436

Ling Motor Company 10850 Riverdale Road Thornton, CO 80233

Kristina Estelle Unrein 412 Webb Avenue Fort Collins, CO 80521

Spencer Martin Lake 3201 69th Avenue Place Greeley, CO 80634

Rachelle D Dunbar Tstee Trust Agmt Marion Elliott 14291 E 144th Avenue Brighton, CO 80601

Mayo J Hottman Estate c/o Edward A Brown 2021 W 102nd Avenue Thornton CO 80260

Brighton Animal Clinic 180 E Bromley Lane Brighton, CO 80601

PPI Brighton Associates c/o Pitcairn Properties Inc. 41 University Dr, #206 Newton, PA 18940

Carson-Parkhill II LLC 631 N High Street Denver, CO 80218

Brighton Marketplace LLC 100 Jackson Street, #102 Denver, CO 80206

Byler Miller Sorrento LLC 5445 DTC Pkwy, PH4 Greenwood Village CO 80111

O'Neal Flat Rolled Metals 2311 Highland Ave S, #200 Birmingham, AL 35205 Leroy J & Karon K Dinges 1280 Voiles Street Brighton, CO 80601

Barbara B Licona 14461 Country Hills Drive Brighton, CO 80601

Horizon Resources LLC P. O. Box 11567 Denver, CO 80211

Patricia Archuleta 14401 Sable Boulevard Brighton, CO 80601

Jody Robins 3415 Newton Street Denver, CO 80211

Ward Petroleum Corp. P. O. Box 1187 Enid, OK 73702

WEP Operating LLC P. O. Box 1187 Enid, OK 73702

IOCL (USA) Inc. c/o Thompson Knight LLP 333 Clay Street, #3300 Houston, TX 77002

Palizzi Farms LLC 14840 Sable Blvd Brighton, CO 80601

Margaret A Freeman 14390 Country Hills Dr Brighton, CO 80601

Kathleen D Yarbrough 14301 Country Hills Dr Brighton, CO 80601

Leland S & Georgia C Wagner 14360 Country Hills Drive Brighton, CO 80601

Steven E & Bonita M Simcox 14351 Country Hills Drive Brighton, CO 80601

Patrick C Connelly 14370 Country Hills Dr Brighton, CO 80601 Arthur A & Virginia L Hale 14120 Country Hills Drive Brighton, CO 80601

La Vary L Hager 14331 Country Hills Dr Brighton, CO 80601

Shirley K. Shelton Rev Tst c/o Davis Schillken PC 7887 E Belleview Ave, #820 Denver, CO 80111

Taeko K. Morimitsu 14201 Sable Blvd Brighton, CO 80601

Jill M Morimitsu-Mahon 105 Rocky Knob Lane Nederland, CO 80466

Peark A Koshi P. O. Box 643 Manassa CO 81141

Tomi E Urano 14201 Sable Blvd Brighton, CO 80601

Sam Tsuji 14201 Sable Blvd Brighton, CO 80601

Chiye Mathews 14201 Sable Blvd Brighton, CO 80601

Brighton Lakes LLC 200 W Hampden Ave, #201 Englewood, CO 80110 R&R Minerals LLC 13408 County Rd 43 Hudson, CO 80642

Double O Bar LLC 21940 291st Avenue Fort Pierre, SD 57532

R7 Minerals LLC 14031 Sable Blvd Brighton, CO 80601

Sachi M Fujimoto 900 Worthington Cir #331 Fort Collins, CO 80526

James M Sullivan 100 Jackson St, #102 Denver, CO 80206

DJ Homestead LLC 9033 E Easter PI, #112 Centennial CO 80112

Dona R Jones 14475 Country Hills Rd Brighton, CO 80601

Matin Schloo and Clara Young Estate c/o Carol Wright P. O. Box 40 Julian, CA

Sheri Beatti (Deceased) c/o Lyal S Beattie 1981 E 138th Avenue Brighton, CO 80602

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

IN THE MATTER OF THE APPLICATION OF W PETROLEUM CORPORATION FOR AN ORDEI VACATE A 640-ACRE DRILLING AND SPACIN UNIT AND ESTABLISH A 1,280-ACRE DRILLIN AND SPACING UNIT FOR HORIZONTAL WELL THE CODELL AND NIOBRARA FORMATIONS IN SECTIONS 18 AND 19, TOWNSHIP 1 SOUT RANGE 66 WEST, WATTENBERG FIELD, ADAMS COUNTY, COLORADO	R TO) G) CAUSE NO. 407 IG) _S TO) DOCKET NO. 171000690			
<u>AFFIDAVIT</u>	OF MAILING			
STATE OF COLORADO)				
) ss. CITY & COUNTY OF DENVER)				
Sharon Fowle, of lawful age and being fir	st duly sworn upon her oath, states and declares:			
That she is a paralegal in the office of J. Michael Morgan, the attorney for Ward Petroleum Corporation in the above-captioned matter. On January, 2018, she caused a copy of the attached Amended Verified Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to said Application.				
_	Sharon Fowle, Paralegal			
Subscribed and sworn to before me thisday	∕ of January, 2018 .			
Witness my hand and official seal.				
	Notary Public			
	i to toti ji i vivito			