

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

IN THE MATTER OF THE APPLICATION OF CUB CREEK)	
ENERGY, LLC, FOR AN ORDER POOLING ALL)	CAUSE NO. 407
INTERESTS WITHIN THE APPROXIMATE 1,440-ACRE)	
DRILLING AND SPACING UNIT TO BE ESTABLISHED)	DOCKET NO. <i>To be assigned</i>
FOR CERTAIN LANDS LOCATED IN SECTION 6,)	
TOWNSHIP 2 NORTH, RANGE 68 WEST, 6 TH P.M. AND)	TYPE: Pooling
SECTIONS 30 & 31, TOWNSHIP 3 NORTH, RANGE 68)	
WEST, 6 TH P.M., FOR DEVELOPMENT AND OPERATION)	
OF THE CODELL AND NIOBRARA FORMATIONS, AND)	
AUTHORIZING COST RECOVERY AND RISK)	
PENALTIES FROM CERTAIN NONCONSENTING)	
OWNERS FOR CERTAIN PLANNED HORIZONTAL)	
WELLS TO BE DRILLED WITHIN THE UNIT,)	
WATTENBERG FIELD, WELD COUNTY, COLORADO)	

APPLICATION

Cub Creek Energy, LLC (“Cub Creek” or “Applicant”), Operator #10542, by and through its attorneys, The Shanor Group LLC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission” or “COGCC”) for an order pooling all interests within the approximate 1,440-acre drilling and spacing unit to be established by separate application for certain lands located in Section 6, Township 2 North, Range 68 West, 6th P.M., and Sections 30 and 31, Township 3 North, Range 68 West, 6th P.M., while continuing to authorize the drilling of 20 horizontal wells within the proposed unit, for development and operation of the Codell-Niobrara Formation, and authorizing statutory cost recovery and risk penalties from certain nonconsenting owners for certain planned horizontal wells to be constructed within said unit. In support of this Application (“Application”), Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado and has registered as an operator with the COGCC.

2. Applicant owns substantial leasehold interests in the below-listed lands (“Application Lands”):

Township 2 North, Range 68 West, 6th P.M.
Section 6: N½

Township 3 North, Range 68 West, 6th P.M.
Section 30: S½ and S½ N½
Section 31: All

An Application Map depicting the Application Lands is attached hereto and marked Exhibit A.

3. 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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A. was amended, among other things, 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, among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A. for the Codell and Niobrara Formations.

4. On May 1, 2017, the Commission issued Order No. 407-1958 which, among other things, established an approximate 1,280-acre drilling and spacing unit for the below-listed lands, and authorized the drilling of 20 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations (with 14 wells for the Niobrara Formation and 6 wells from the Codell Formation):

Township 2 North, Range 68 West, 6th P.M.

Section 6: N $\frac{1}{2}$

Township 3 North, Range 68 West, 6th P.M.

Section 30: S $\frac{1}{2}$

Section 31: All

5. By separate application, Applicant requests that the portion of Order No. 407-1958, which established an approximate 1,280-acre drilling and spacing unit for the above-described lands be modified to expand the unit area to 1,440 acres for the Application Lands, with continuing authority to drill 20 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations (with 14 wells drilled within the Niobrara Formation and 6 wells within the Codell Formation).

6. Acting pursuant to relevant provisions of §34-60-116(6), C.R.S., Applicant seeks an order pooling all interests in the approximate 1,440-acre drilling and spacing unit to be established for the Application Lands, where 20 horizontal wells are authorized for the unit (with 14 wells for the Niobrara Formation and 6 wells for the Codell Formation), for the development and operation of the Codell and Niobrara Formations.

7. Rule 530. provides that an application for involuntary pooling may be filed at any time prior or after the drilling of a well, with any pooling order retroactive to the date the Application is filed with the Commission unless the payor agrees otherwise. For the approximate 1,440-acre drilling and spacing unit to be established for the Application Lands, Cub Creek will submit Applications for Permit-to-Drill for certain horizontal wells which may be authorized by the separate spacing application.

8. Cub Creek will provide Rule 530. well proposal materials to putative nonconsenting owners within the approximate 1,440-acre drilling and spacing unit to be established for the Application