

**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
VACATE A 480-ACRE DRILLING AND SPACING)	
UNIT, AND ESTABLISH A 1,280-ACRE DRILLING)	
AND SPACING UNIT FOR HORIZONTAL WELLS)	DOCKET NO. 180300191
TO THE CODELL AND NIOBRARA FORMATIONS)	
IN SECTIONS 1 AND 12, TOWNSHIP 1 SOUTH,)	
RANGE 68 WEST, WATTENBERG FIELD,)	TYPE: SPACING
ADAMS COUNTY, COLORADO)	

VERIFIED APPLICATION

COMES NOW, Ward Petroleum Corporation ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits it's Verified Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order vacating a 480-acre drilling and spacing unit, establishing a 1,280-acre drilling and spacing unit in Sections 1 and 12, Township 1 South, Range 68 West, 6th P.M, and authorizing up to 22 horizontal wells therein to the Codell and Niobrara Formations, Wattenberg Field, Adams County, Colorado, and in support states as follows:

1. Applicant is duly organized and authorized to conduct business in the State of Colorado. Applicant is a duly registered operator in good standing with the Commission, Operator No. 10359.

2. Applicant 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 68 West, 6th P.M.
Sections 1 and 12

3. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Special Well Location, Spacing and Unit Designation Rule ("GWA Rule"), 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. This Rule 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 the drilling of certain horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.

4. On June 12, 2017 the Commission entered Order No. 407-2054, establishing an approximate 480-acre drilling and spacing unit for the SW¼ of Section 1 and the W½ of Section 12, Township 1 South, Range 68 West, 6th P.M., and authorizing the drilling of up to 12 horizontal well in such unit to the Codell or Niobrara Formations, with the producing 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. Portions of the Application Lands are subject to Order 407- 2054 for the Codell and Niobrara Formations

5. The online records of the Commission reflect that no wells have been drilled to the unit established by Order 407-2054, and no operator other than Ward currently has a permit, or has a currently pending application for permit, to drill horizontal wells on the Application Lands.

6. The online records of the Commission reflect that with respect to the Application Lands, (a) vertical wells have been completed in the Codell and/or Niobrara Formations, (b) the Alicia #12-15H-5N well (API #05-123-09826) was drilled in 2015 to the Niobrara Formation on an approximate 200-acre designated wellbore spacing unit composed of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 1 and the W $\frac{1}{2}$ NE $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 12 of the Application Lands, and (c) the Afton #12-16H-4 well (API #05-123-09778) was drilled in 2014 to the Codell Formation on an approximate 160-acre designated wellbore spacing unit composed of the E $\frac{1}{2}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 12 of the Application Lands. This Alicia #12-15H-5N and Afton #12-16H-4 wells were drilled by PICO Niobrara LLC, but are currently owned and operated by Ward.

7. Applicant desires to drill and complete up to 22 horizontal wells to the Codell and/or Niobrara Formations on a 1,280-acre unit composed of the Application lands.

8. Applicant therefore requests an order to (a) vacate Order 407-2054; (b) 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/or Niobrara Formations; (c) provide that up to 22 horizontal wells may be drilled in such drilling and spacing unit to said Formations; and (d) 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.

9. Any vertical or directional wells in the Application Lands would continue to produce on the unit ON which they are currently producing, and the Alicia #12-15H-5N well (API #05-123-09826) and the Afton #12-16H-4 well (API #05-123-09778) would continue to produce on the designated wellbore spacing units previously established.

10. Applicant asserts that establishment of an approximate 1,280-acre drilling and spacing unit on the Application Lands, and the provision for up to 22 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 in the Application Lands.

11. The requested order should further provide that all such additional horizontal wells must be drilled from no more than two pads in such unit or on contiguous lands without exception being granted by the Director of the Commission.

12. A drilling and spacing unit of the size and shape specified above 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.

13. The proposed horizontal wells can be developed in a manner consistent with protection of the environment, public health, safety and welfare.

14. 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.

15. 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) vacate Order 407-2054; (b) establish the Application Lands as an approximate 1,280-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from horizontal wells to the Codell and/or Niobrara Formations; (c) provide that up to 22 horizontal wells may be drilled in such drilling and spacing unit to said Formations; and (d) 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.

Dated: January 18, 2018.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: _____

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

Applicant's Address:

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

VERIFICATION

STATE OF COLORADO)
) **ss.**
COUNTY OF LARIMER)

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is Landman - Rockies for the Applicant, Ward Petroleum Corporation and maintains his office at 215 West Oak Street, Suite 1000, Fort Collins, Colorado 80521.

2. He has read the forgoing Verified Application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge, information and belief.

Further Affiant sayeth not.


_____ **Kent Craig**

Subscribed and sworn to before me this 18th day of January, 2018.

Witness my hand and official seal.
My commission expires: 12/31/21

**LISA R LABRACKE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134080415
MY COMMISSION EXPIRES DEC. 31, 2021**


_____ **Notary Public**

EXHIBIT A
SECTIONS 1 & 12-1S-68W

Ward Petroleum Corporation
14000 Quail Springs Pkwy, #5000
Oklahoma City, OK 73134

WEP Operating CO, LLC
14000 Quail Springs Pkwy, #5000
Oklahoma City, OK 73134

RAISA II, LLC
1580 Lincoln St., #1110
P. O. Box 987
Denver, CO 80203-0987

Chaparral Resources, Inc.
1660 Lincoln St., #2400
Denver, CO 80264

Byron Oil Industries, Inc.
1302 Clarkson/Clayton Ctr, #106
Ballwin, MO 63011

Synergy Resources Corporation
20203 Highway 60
Platteville, CO 80651

Extraction Oil & Gas, Inc.
370 17th Street, #5300
Denver, CO 80202

K.P. Kauffman Company, Inc.
1675 Broadway, Ste 2800,
Denver, CO 80202

Grizzly Petroleum Company, LLC
1801 Broadway, Ste #500,
Denver, CO 80202

Rick D. Weaver and
Mary Weaver, JT
16560 York Street
Brighton, CO 80602

Arthur P. Reinke, III and
Sharon L. Reinke, JT
2751 E. 165th Avenue
Brighton, CO 80601

Robert L. Poebela
16522 Josephine Street
Brighton, CO 80602

Burr Charlesworth
2750 E. 165th Avenue
Brighton, CO 80602

Michael T. Mollevik and
Kelly L. Mollevik, JT
4993 E. 111th Place
Thornton, CO 80603

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

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

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

