

**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF AN APPLICATION BY
CONFLUENCE DJ LLC FOR AN ORDER POOLING
ALL INTERESTS IN AN APPROXIMATE 1,280-ACRE
DRILLING AND SPACING UNIT PROPOSED FOR
SECTIONS 4 AND 9, TOWNSHIP 1 SOUTH, RANGE
65 WEST, 6TH P.M., FOR THE
DEVELOPMENT/OPERATION OF THE CODELL AND
NIOBRARA FORMATIONS, WATTENBERG FIELD,
ADAMS COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

Confluence DJ LLC (Operator No. 10518) (“Confluence” or “Applicant”), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order pooling all interests in an approximate 1,280-acre drilling and spacing unit proposed for Sections 4 and 9, Township 1 South, Range 65 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant owns a leasehold interest in the below-listed lands:

Township 1 South, Range 65 West, 6th P.M.

Section 4: All

Section 9: All

1,280 acres, more or less, Adams County, Colorado.

These lands are hereinafter collectively referred to as the “Application Lands” and depicted in Exhibit A attached hereto.

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 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. The Application Lands are subject to Rule 318A.

4. On August 31, 2017, Confluence, by its attorneys, filed a verified application (“Application”) in Docket No. 171000719, scheduled to be heard by the

Commission at the April 30, 2018 Hearing, requesting an order to, among other things, establish an approximate 1,280-acre drilling and spacing unit, and authorize the drilling of up to 20 horizontal wells for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

5. Pursuant to the Application, Applicant plans to drill the below-described wells within the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations:

- a. Desha 4-10-2L Well (API No. to be assigned) - Niobrara Formation.

This well is hereinafter referred to as the "Subject Well."

6. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in the Application Lands, for the development and operation of the Codell and Niobrara Formations.

7. 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 §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Well.

8. Further, Applicant requests 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 Subject Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Well.

9. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §§34-60-101, *et seq.*, C.R.S., and the Commission rules.

10. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

11. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

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:

A. Pooling all interests in the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the earlier of the date of this Application, or the date that the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Well.

B. 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 Subject Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Well.

C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 12th day of April, 2018.

Respectfully submitted,

CONFLUENCE DJ LLC

By: Jobediah Rittenhouse
James Parrot
Jillian Fulcher
Jobediah J. Rittenhouse
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499
jparrot@bwenergylaw.com
jfulcher@bwenergylaw.com
jrittenhouse@bwenergylaw.com

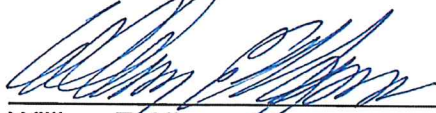
Address of Applicant
Confluence DJ LLC
William E. Nicas
1001 17th Street, Suite 1250
Denver, CO 80202

VERIFICATION

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

William E. Nicas, Senior Vice President of Land & Business Development for Confluence DJ 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.

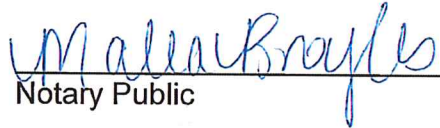
CONFLUENCE DJ LLC



William E. Nicas

Subscribed and sworn to before me this 12th day of April, 2018, by William E. Nicas, Senior Vice President of Land & Business Development for Confluence DJ LLC.

Witness my hand and official seal.



Notary Public

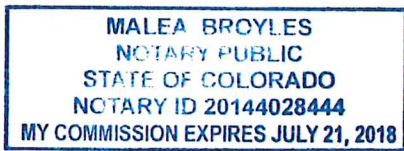


EXHIBIT A

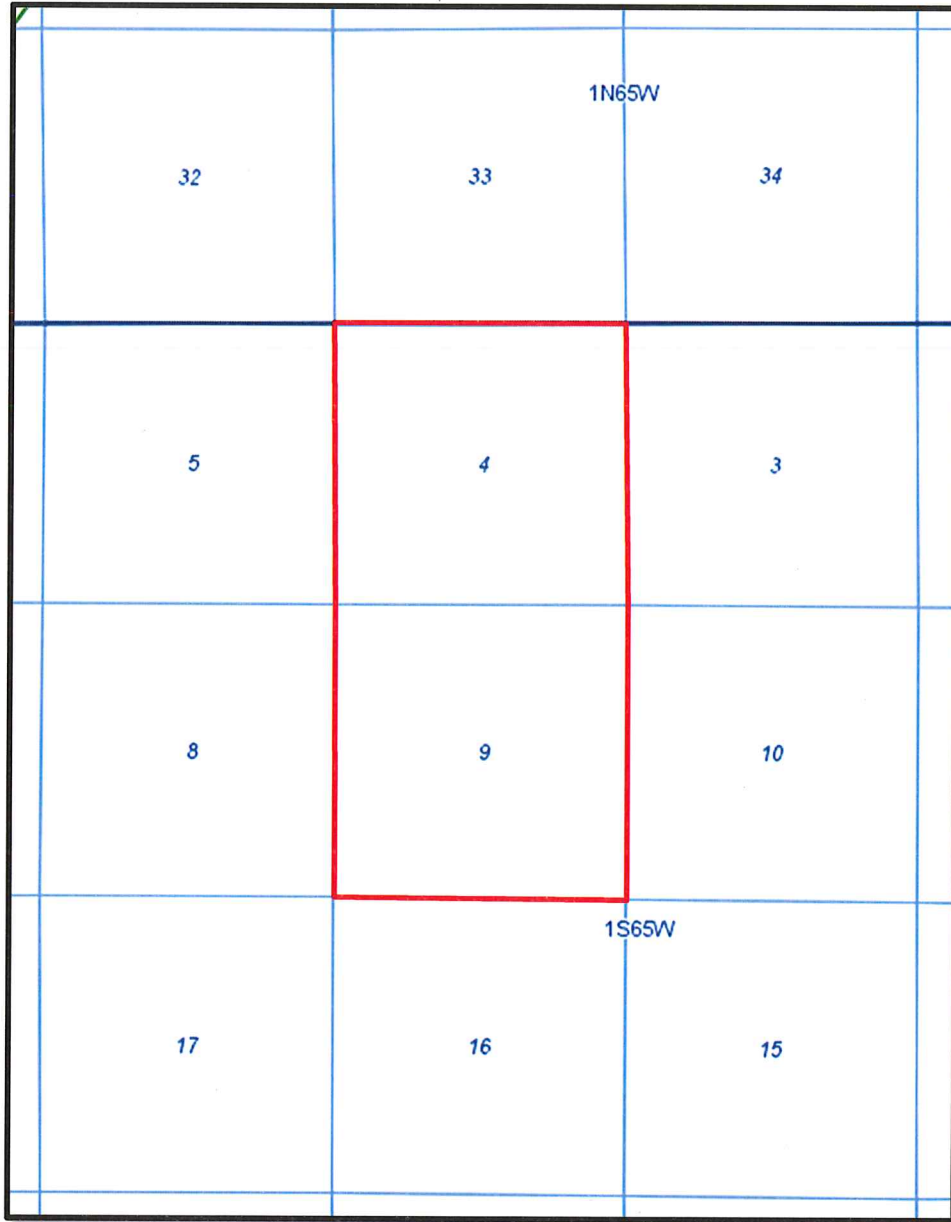
Reference Map for Pooling Application

Township 1 South, Range 65 West, 6th P.M.

Section 4: All

Section 9: All

1,280 acres, more or less, Adams County, Colorado




 = Application Lands

EXHIBIT A

INTERESTED PARTIES

The names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this Exhibit A.

VERDAD RESOURCES LLC
5950 CEDAR SPRINGS ROAD, SUITE 200
DALLAS, TX 75235

PETROSHARE CORP.
9635 MAROON CIRCLE, SUITE 400
ENGLEWOOD, CO 80112

WILLIAM R. THOMPSON
2020 LOS CENTES ROAD N.E.
LOS LUNAS, NM 87031

ARETE LAND & MINERALS LLC
P.O. BOX 8445
DENVER, CO 80201

ESTATE OF JOHN A. CASE
C/O PATRICIA A. CASE
569 POPPY DR
BRIGHTON, CO 80601

ROGER ALLGEIER AND VERNA ALLGEIER,
JOINT TENANTS.
2700 EAST 168TH AVE
BRIGHTON, CO 80601

ORVILLE I. HASKINS
PO BOX 347
HUDSON, CO 80642

ERNEST WAGNER
16806 E. 152ND AVE
BRIGHTON, CO 80601

ANADARKO LAND CORP.
1099 18TH STREET, SUITE 1800
DENVER, CO 80202

EXTRACTION OIL & GAS, INC.
370 17TH STREET, SUITE 5300
DENVER, CO 80202

PEO COLORADO LLC
16400 NORTH DALLAS PARKWAY, SUITE 400
DALLAS, TEXAS 75248

CATALYST GROUP, INC.
29 MANZANITA
LITTLETON, CO 80127

THE JOHN CASE FAMILY TRUST
16800 EAST 152ND AVE
BRIGHTON, CO 80601

THE VERNA ALLGEIER REVOCABLE TRUST
DATED APRIL 20, 1994
2700 EAST 168TH AVE
BRIGHTON, CO 80601

ORVILLE I. HASKINS
ROUTE ONE, BOX 267
BRIGHTON, CO 80601

STEVEN A. BERRY AND SHARON A. BERRY,
JOINT TENANTS
26575 EAST 160TH AVE
BRIGHTON, CO 80603

ANADARKO E&P COMPANY LP
1099 18TH STREET, SUITE 1800
DENVER, CO 80202

CONFLUENCE DJ LLC
1001 17TH ST., SUITE 1250
DENVER, CO 80202