IN THE MATTER OF AN APPLICATION BY GMT (CAUSE NO. 535)

EXPLORATION COMPANY LLC FOR AN ORDER TO (CAUSE NO. 535)

ESTABLISH AN APPROXIMATE (CAUSE NO. 535)

DRILLING AND SPACING UNIT AND TO APPROVE UP (CAUSE NO. 181000792)

TO TEN (10) HORIZONTAL WELLS WITH WELL (CATION RULES FOR THE NIOBRARA FORMATION (CAUSE NO. 181000792)

IN SECTIONS 18 AND 19, TOWNSHIP 6 SOUTH, (CAUSE NO. 535)

RANGE 64 WEST, 6TH P.M., UNNAMED FIELD, ELBERT (COUNTY, COLORADO (CAUSE NO. 535)

NOTICE OF WITHDRAWAL AND SUBSTITUTION OF COUNSEL

NOTICE IS HEREBY GIVEN that, pursuant to C.R.C.P. 121 § 1-1, attorneys Jamie Jost and Kelsey H. Wasylenky of Jost Energy Law, P.C. hereby withdraws as counsel of record for Applicant GMT Exploration Company LLC ("GMT"), and simultaneously, attorney Brent Chicken of Steptoe & Johnson PLLC, hereby substitutes as counsel for GMT, replacing Jost Energy Law, P.C. The foregoing counsel and law firms agree to the withdrawal and substation. GMT agrees with this withdrawal and substitution.

Counsel requests the Hearing Officer enter the withdrawal and substitution upon receipt of this Notice.

DATED this 18 day of October, 2018.

By:

Jamie L. Jost Kelsey H. Wasylenky Jost Energy Law, P.C. 1401 17th Street, Suite 370 Denver, CO 80202 720.446.5620 By

Brent D. Chicken (Colorado Bar No. 36217) Steptoe & Johnson PLLC 600 17th Street, Suite 2300 South Denver, CO 80202 303.389.4300

IN THE MATTER OF THE APPLICATION OF GMT EXPLORATION COMPANY LLC FOR AN ORDER TO ESTABLISH AN APPROXIMATE 1,201.4-ACRE DRILLING AND SPACING UNIT AND TO APPROVE UP TO TEN (10) HORIZONTAL WELLS WITH WELL LOCATION RULES FOR THE NIOBRARA FORMATION IN SECTIONS 18 AND 19, TOWNSHIP 6 SOUTH, RANGE 64 WEST, 6TH P.M., UNNAMED FIELD, ELBERT COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 181000

TYPE: SPACING

APPLICATION

GMT Exploration Company LLC (Operator No. 10243) ("Applicant" or "GMT"), by and through its attorneys, Jost Energy Law, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish an approximate 1,201.4-acre drilling and spacing unit and to approve up to ten (10) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a Colorado limited liability company duly organized and authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission.
- 2. Applicant is an Owner as defined by the Colorado Oil and Gas Conservation Act and/or owns leasehold interests or holds the right to drill and operate on the following lands (hereafter "Application Lands"):

Township 6 South, Range 64 West, 6th P.M.

Section 18: All Section 19: All

1,201.4 acres, more or less, Elbert County, Colorado.

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. of the Commission Rules requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. The Application Lands are subject to this Rule for the Niobrara Formation.

- 4. The records of the Commission reflect that no wells have been drilled or are producing from the Niobrara Formation on the Application Lands.
- 5. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 1,201.4-acre drilling and spacing unit for the Application Lands, and approve up to ten (10) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 6. The above proposed drilling and spacing unit will allow efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit in compliance with §34-60-116(2) and (4), C.R.S.
- 7. Applicant is requesting to drill and complete up to ten (10) horizontal wells within the proposed unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Niobrara Formation within the Application Lands, and there will be no adverse effect on correlative rights of adjacent owners. Applicant intends to develop the proposed wells in a north/south or south/north orientation.
- 8. The Applicant maintains that there will be up to two (2) pad locations in the unit, or on adjacent lands thereto, unless an exception is granted by the Director.
- 9. The productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the unit (regardless of the lease lines within the unit) and all horizontal wells shall be no closer than 150 feet from the productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.
- 10. The undersigned certifies that copies of this Application will be served on each interested party 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 on October 29-30, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order to:

- A. Establish an approximate 1,201.4-acre drilling and spacing unit for Sections 18 and 19, Township 6 South, Range 64 West, 6th P.M., and approve up to ten (10) horizontal wells in the unit in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from the Niobrara Formation in the unit;
- B. Provide that the productive interval any horizontal well shall be no closer than 600 feet from the boundaries of the unit and not less than 150 feet from the

productive interval of another well within the unit, and authorizing up to two well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

- C. Finding that an approximate 1,201.4-acre drilling and spacing unit for the development of the Niobrara Formation on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara Formation in the Application Lands.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED this 30th day of August, 2018.

Respectfully submitted:

GMT Exploration Company LLC

By:

Jamie L. Jost

Kelsey H. Wasylenky

Jost Energy Law, P.C.

Attorneys for Applicant

1401 17th Street, Suite 370

Denver, Colorado 80202

(720) 446-5620

Applicant's Address:

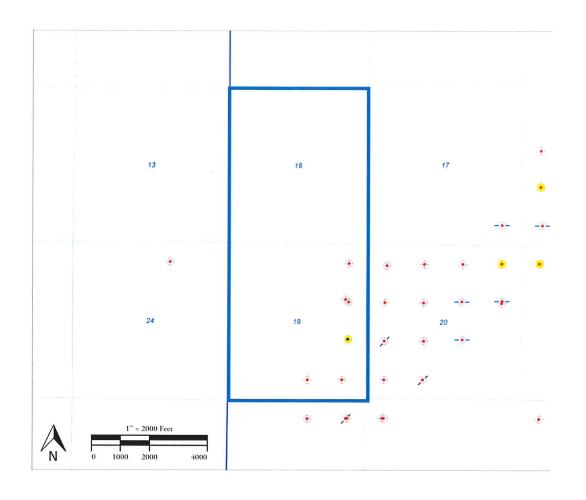
GMT Exploration Company LLC ATTN: Hans C. Schuster, CPL 1560 Broadway, Suite 2000 Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
CITY & COUNTY OF DENVER) ss.)
that he is a Senior Landman for GMT	ge, being first duly sworn upon oath, deposes and says Exploration Company LLC, and that he has read the matters therein contained are true to the best of his
	ans C. Schuster enior Landman
	MT Exploration Company LLC
Subscribed and sworn to before me the Witness my hand and official seal.	his <u>30</u> day of August, 2018.
[SEAL]	NOTARY PUBLIC, STATE OF COLORADD NOTARY ID 2014067317 MY COMMISSION EXPIRES OCTOBER 14, 2019
My commission expires: 10/14	1/19
Notary Public	

Reference Map GMT Exploration Company LLC

Sections 18 and 19, Township 6 South, Range 64 West, 6th P.M.



IN THE MATTER OF THE APPLICATION OF GMT EXPLORATION COMPANY LLC FOR AN ORDER TO ESTABLISH AN APPROXIMATE 1,201.4-ACRE DRILLING AND SPACING UNIT AND TO APPROVE UP TO TEN (10) HORIZONTAL WELLS WITH WELL LOCATION RULES FOR THE NIOBRARA FORMATION IN SECTIONS 18 AND 19, TOWNSHIP 6 SOUTH, RANGE 64 WEST, 6TH P.M., UNNAMED FIELD, ELBERT COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 181000792

TYPE: SPACING

AFFIDAVIT OF MAILING

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

The undersigned, of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for GMT Exploration Company, LLC, and that on or before the 5th day of September, 2018, I caused a copy of the Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to this Affidavit.

Jamie L. Jost

day of

Kelsey H. Wasylenky

Subscribed and sworn to before me this

Witness my hand and official seal.

[SEAL]

Notary Pub<mark>lic</mark>

Exhibit A GMT - SP 6S-64W-Sec 18 & 19

Christina Stanton Elbert County 215 Comanche Street Kiowa, CO 80117

FMS, LLC 1430 Larimer Square, Suite 308 Denver, CO 80202

Lotus Land & Mienrals, LLC P.O. Box 3982 Centennial, CO 80161

GMT Exploration Company, LLC 1560 Broadway, Suite 2000 Denver, CO 80202

William H. Spires, Inc. 16999 E. Hwy. 86 Kiowa, CO 80117

The John Elridge Trust 3505 Garrison Street Wheatridge, CO 80033

Smith Energy Corporation 1640 37th Ave. Greeley, CO 80634

Glenn S. and Roberta L. Smith 1640 37th Ave. Greeley, CO 80634

Ava Mae Smith 1420 23rd Avenue Court Greeley, CO 80631

Ryan C. Smith 1640 37th Ave. Greeley, CO 80634

Diamondback Oil Partners, LLP, 12177 W. 75th Lane Arvada, CO 80005

Renegade Oil & Gas Company, LLC 6155 S Main St, Suite 210 Aurora, CO 80016 TOGA Petroleum Corp 1500 Fidelity Union Tower Dallas, TX 75201

G & R Oil Properties, Inc. 1640 37th Ave. Greeley, CO 80634

U.S. Mineral & Royalty Corporation 6464 South Quebec Englewood, CO 80111

Habco, Inc. 6901 South Pierce Street, Suite 360 Littleton, CO 80123

Charles A. Wallace 8820 Kingsley Dallas, TX 75231

Diamondback Oil Corporation 6901 South Pierce Street, Suite 360 Littleton, CO 80123

Habersham Energy Company 6464 South Quebec Englewood, CO 80111

Jack Prather 518 Seventeenth Street, Suite 670 Denver, CO 80203

Ronald M. Mankoff 3900 First National Bank Building Dallas, TX 75202

Geochemical Surveys, Inc. 6464 South Quebec Englewood, CO 80111

Gil's Hot Oil Service, Inc. P.O. Box 145 Byers, CO 80103

J.B. Wolens 6314 Desco Drive Dallas, TX 75225 Ruth Balch 5521 STEWARTBY DR RALEIGH NC 27613-5747

Kenneth R. Andrews and Audrey A. Andrews 4609 Private Road 188 Elizabeth, CO 80107

Keith & Patricia Keller, as trustees of the Keller Family Living Trust dated February 21, 2001 PO Box 235 Parker, CO 80134

Running Creek Ranch Co., a joint venture 15460 E Batavia Drive Aurora, CO 80011

Stacy I. Dysart 46980 County Road 17 Elizabeth, CO 80107 Freund Investments, a partnership 15460 E Batavia Drive Aurora, CO 80011

Intermountain Rural Electric Association, a Colorado corporation 5496 North U.S. Hwy 85 Drawer "A" Sedalia, CO 80135

Kent Kuster Colorado Department of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530

Brandon Marette
Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
6060 Broadway
Denver, CO 80216

Christina Stanton Elbert County 215 Comanche Street Kiowa, CO 80117

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MY COMMISSION EXPIRES JULY 24, 2021

TYPE: SPACING

CORRECTED AFFIDAVIT OF MAILING

STATE OF COLORADO)
CITY AND COUNTY OF DENVER)ss.)
and declare that I am the attorney for 0 before the 5 th day of September, 2018	, and being first duly sworn upon my oath, state GMT Exploration Company, LLC, and that on or , I caused a copy of the Application to be ostage prepaid, addressed to the parties listed on Jamie L. Jost Kelsey H. Wasylenky
Subscribed and sworn to before me this	s 154 day of October, 2018.
Witness my hand and official seal.	
[SEAL]	KERRY LEBLEU NOTARY PUBLIC
	STATE OF COLORADO NOTARY ID 19934018734

Exhibit A GMT – SP T6S-R64W-Sec 18 & 19

GMT Exploration Company, LLC 1560 Broadway, Suite 2000 Denver, CO 80202

Lotus Land & Mienrals, LLC P.O. Box 3982 Centennial, CO 80161

Burlington Resources Oil & Gas Company, LP 00 North Dairy Ashford Houston, TX 77079

PEO Colorado, LLC 16400 North Dallas Parkway, Suite #400 Dallas, TX 75248

PetroShare Corporation 9635 Maroon Circle, Suite 400 Englewood, CO 80112-5927

Debra Johnson Head 13751 Old Weatherford Road Aledo, TX 76008

DeMar Johnson Hopson 5356 County Road 3430 Lampasas, TX 76550

F. Kirk Johnson, III 5941 Woodland Drive Dallas. TX 75225

Marsland Holt Johnson 5941 Woodland Drive Dallas, TX 75225

James R. Hill Family Limited Partnership 50 West 7th Street, Suite 1802 Fort Worth, TX 76102

Glenn Lattimore Family Limited Partnership 50 West 7th Street, Suite 1802 Fort Worth, TX 76102

Houston & Emma Hill Trust Estate 500 Throckmorton, Suite 2803 Fort Worth, TX 76102

Bruce L. Boswell 1320 Lake Street Fort Worth, TX 76102

C. C. Bearden P. O. Box 10507 Fort Worth, TX 76114

Hickmans LSM, Inc. 6777 Camp Bowie, Suite 600 Fort Worth, TX 76116

Ketal Oil Producing Company 1245 Oak Hill Road Keller, TX 76248

KHN Investments 500 Throckmorton, Suite 2803 Fort Worth, TX 76102

Lattimore Investments 500 Throckmorton Street, Suite 2803 Fort Worth, TX 76102

Clemens Sheet Metal Water, Inc. 1100 Foch Street Fort Worth, TX 76107

S. G. Payte 6450 Sumac Road Fort Worth, TX 76107

Robert K. Sullivan 2 South Phelps Ave. Arlington Heights, IL 60004

Mable McMichael Trust 8309 Crosswind Drive Fort Worth, TX 76179

Lee A. Burris and Patricia M. Burris 45814 Summit Road Parker, CO 80138 Helen K. Eustice, Katheryne J.L. Eustice Linda A. Kosten 45595 Rampart Road Parker, CO 80138

Brian Lown 45722 Rampart Road Parker, CO 80138

John M. Pochop P.O. Box 4725734 Aurora, CO 80047-2734

Arthur G. and Susan K. Edmisten 3824 CR 186 Parker, CO 80138

Lewis N., Ann and Mel Kallas 45618 Summit Road Parker, CO 80138

Kenneth E. and Anita C. Knighten 45763 Summit Road Parker, CO 80138

Dennis A. and Rong R. Kelly 8416 Vineyard Ridge Court NE Albuquerque, NM 87122

RJP Properties LLC 16240 Deerhaven Court Morrison, CO 80465

James E. and Carol Sue Pollock 19568 East Long Lake Centennial, CO 80016

Jamie L. Romano Andrew Paul Romano 3185 Pikes Peak Road Parker, CO 80138

Douglas Dean and Robin Rhea Woods 3010 Pikes Peak Road Parker, CO 80138

Casey Kathleen Roberts 3042 Pikes Peak Road Parker, CO 80138 Rich Cupit 3138 Pikes Peak Road Parker, CO 80138

Karen S. Loest 3377 Cedar Mountain Place Parker, CO 80138

Kenneth G. Hendren Kimberly A. Spainhower 3095 Pikes Peak Road Parker, CO 80138

Robert M. Rodriguez Ernestine M. Rodriguez 3345 Pikes Peak Road Parker, CO 80138

Santford H. Johnson 6362 Indian Path San Angelo, TX 76901

Jeffrey L. Praeger and Ruby V. Praeger 3330 Pikes Peak Road Parker, CO 80138

Kurtis Kosoff Sheri Kosoff 3426 Pikes Peak Road Parker, CO 80138

Maria Guadalupe Nevarez Rivera Luis Enrique Bringas Rochin 45440 Rampart Road Parker, CO 80138

Aimee Leigh Smith 3703 Pikes Peak Road Parker, CO 80138

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Donald Steven Counter 100 Dawn Avenue SE Huntsville, AL 358014

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