

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

IN THE MATTER OF AN APPLICATION BY GMT)
EXPLORATION COMPANY LLC FOR AN ORDER TO) CAUSE NO. 535
VACATE A 640-ACRE DRILLING AND SPACING UNIT)
ESTABLISHED BY ORDER NO. 535-54 FOR SECTION) DOCKET NO. 181000798
36, TOWNSHIP 6 SOUTH, RANGE 65 WEST, 6TH P.M.,)
AND TO ESTABLISH AN APPROXIMATE 1,600-ACRE) TYPE: SPACING
DRILLING AND SPACING UNIT AND TO APPROVE UP)
TO TEN (10) HORIZONTAL WELLS WITH WELL)
LOCATION RULES FOR THE NIOBRARA FORMATION)
IN SECTIONS 24: S½, 25 AND 36, TOWNSHIP 6
SOUTH, RANGE 65 WEST, 6TH P.M., UNNAMED FIELD,
ELBERT COUNTY, COLORADO

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 substitution. 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

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
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IN THE MATTER OF THE APPLICATION OF
GMT EXPLORATION COMPANY LLC FOR AN
ORDER TO VACATE A 640-ACRE DRILLING
AND SPACING UNIT ESTABLISHED BY
ORDER NO. 535-54 FOR SECTION 36,
TOWNSHIP 6 SOUTH, RANGE 65 WEST, 6TH
P.M., AND ESTABLISH AN APPROXIMATE
1,600-ACRE DRILLING AND SPACING UNIT
AND TO APPROVE UP TO TEN (10)
HORIZONTAL WELLS WITH WELL LOCATION
RULES FOR THE NIOBRARA FORMATION IN
SECTIONS 24: S½, 25 AND 36, TOWNSHIP 6
SOUTH, RANGE 65 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 vacate an approximate 640-acre drilling and spacing unit established by Order No. 535-54 for Section 36, Township 6 South, Range 65 West, 6th P.M., and establish an approximate 1,600-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 65 West, 6th P.M.

Section 24: S½

Section 25: All

Section 36: All

1,600 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. On August 8, 2011, the Commission entered Order No. 535-54 which, among other things, established a 640-acre drilling and spacing unit for Section 36, Township 6 South, Range 65 West, 6th P.M., and approved one horizontal well within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

5. The records of the Commission reflect that no wells have been drilled or are producing from the Niobrara Formation on the Application Lands.

6. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should vacate an approximate 640-acre drilling and spacing unit established by Order No. 535-54 for Section 36, Township 6 South, Range 65 West, 6th P.M., and establish an approximate 1,600-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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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. Vacate an approximate 640-acre drilling and spacing unit established by Order No. 535-54 for Section 36, Township 6 South, Range 65 West, 6th P.M.

B. Establish an approximate 1,600-acre drilling and spacing unit for Sections 24: S $\frac{1}{2}$, 25 and 36, Township 6 South, Range 65 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;

C. 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.

D. Finding that an approximate 1,600-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.

E. 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

)

) SS.

CITY & COUNTY OF DENVER

)

Hans C. Schuster, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for GMT Exploration Company LLC, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Handwritten signature: *Handwritten signature*

Hans C. Schuster
Senior Landman
GMT Exploration Company LLC

Subscribed and sworn to before me this 30 day of August, 2018.

Witness my hand and official seal.

[SEAL]



My commission expires:

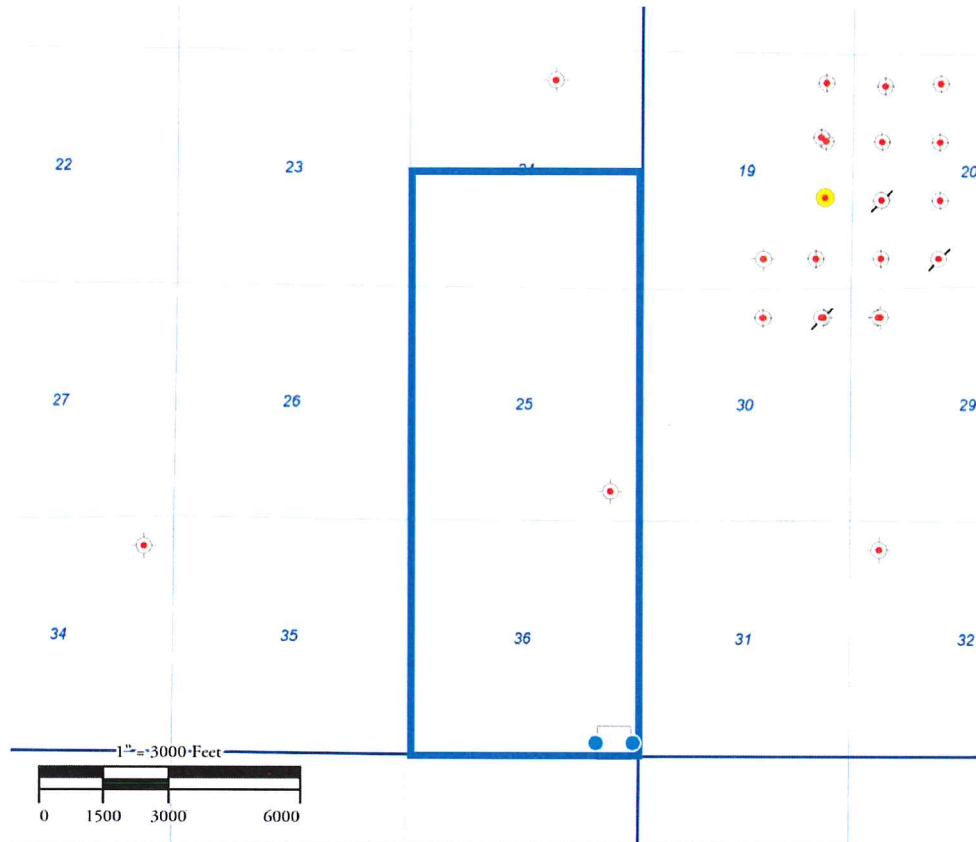
10/14/19


Notary Public

Notary Public

Reference Map
GMT Exploration Company LLC

Sections 24: S $\frac{1}{2}$, 25 and 36, Township 6 South, Range 65 West, 6th P.M.



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CAUSE NO. 535

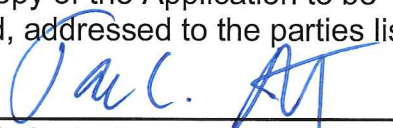
DOCKET NO. 181000798

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
Kelsey H. Wasylenky

Subscribed and sworn to before me this 4th day of September, 2018.

Witness my hand and official seal.

[SEAL]

Notary Public

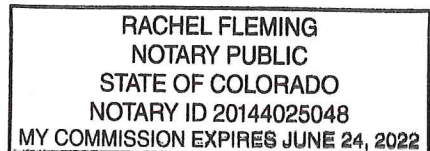


Exhibit A
GMT - SP – T6S-R65W-Sec 24 S2 & 25 & 36

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