

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

IN THE MATTER OF THE APPLICATION OF
GREAT WESTERN OPERATING COMPANY,
LLC FOR AN ORDER TO ESTABLISH AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT AND TO APPROVE UP TO
TWENTY-SIX (26) HORIZONTAL WELLS WITH
WELL LOCATION RULES FOR THE
NIOBRARA AND CODELL FORMATIONS IN
SECTIONS 33 AND 34, TOWNSHIP 4 NORTH,
RANGE 68 WEST, 6TH P.M., WATTENBERG
FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 181200____

TYPE: SPACING

APPLICATION

Great Western Operating Company, LLC (Operator No. 10110) ("Great Western" or "Applicant"), 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 1,280-acre drilling and spacing unit for Sections 33 and 34, Township 4 North, Range 68 West, 6th P.M., and to approve a total of up to twenty-six (26) horizontal wells in the proposed unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Niobrara and Codell Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

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

Township 4 North, Range 68 West, 6th P.M.

Section 33: All

Section 34: All

Weld County, Colorado, 1,280-acres, more or less.

A reference map of the Application Lands is attached hereto.

3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. The Application Lands are subject to this Rule for the Niobrara and Codell Formations.

4. On February 19, 1992 (amended August 20, 1993), the Commission entered Order No. 407-87, which among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the permitted well locations in accordance with the provisions of Order No. 407-1. Sections 33 and 34, Township 4 North, Range 68 West, 6th P.M. are subject to this Order for the Codell and Niobrara Formations.

5. On July 9, 2012, the Commission entered Order No. 407-665 which pooled all interests in an approximate 80-acre drilling and spacing unit consisting of certain lands in Section 33, Township 4 North, Range 68 West, 6th P.M., to accommodate the McCoy 14-33 Well (API No. 05-123-35226) and the McCoy 13-33 Well (API No. 05-123-35227), for the development and operation of the Codell and Niobrara Formations. This Order is wellbore-specific and does not affect this Application.

6. On July 9, 2012, the Commission entered Order No. 407-666 which pooled all interests in an approximate 160-acre designated wellbore spacing unit consisting of certain lands in Section 33, Township 4 North, Range 68 West, 6th P.M., to accommodate the McCoy 2-6-33 Well (API No. 05-123-35229), for the development and operation of the Codell and Niobrara Formations. This Order is wellbore-specific and does not affect this Application.

7. The records of the Commission reflect that there are vertical and directional wells currently producing from the Codell or Niobrara Formations on the Application Lands. There are no pending APDs within the unit. Applicant respectfully requests that the producing directional and vertical wells in the Codell and Niobrara Formations be excluded from the proposed 1,280-acre drilling and spacing unit for the Application Lands.

8. To promote efficient drainage within the Codell and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 1280-acre drilling and spacing unit for the Codell and Niobrara Formations, and to approve a total of up to twenty-six (26) horizontal wells within the new unit, for the production, development and operation of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

9. The above-proposed drilling and spacing unit will allow efficient drainage of the Codell and Niobrara Formations, 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.

9. The Applicant is requesting to drill and complete up to twenty-six (26) horizontal wells within the unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations within the

approximate 1280-acre drilling and spacing unit composed of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.

10. The Applicant maintains that there will be no more than one (1) well pad located within the proposed unit, or adjacent thereto, unless an exception is granted by the Director. Applicant has executed one or more surface use agreements for the development of the unit.

11. The productive interval of each proposed horizontal well shall be no closer than 460 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.

12. 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 December 17, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order:

A. Establish an approximate 1,280-acre drilling and spacing unit for Sections 33 and 34, Township 4 North, Range 68 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations in the unit.

B. Approve a total of up to twenty-six (26) horizontal wells in the unit, in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from the Niobrara and Codell Formations in the unit.

C. Provide that the productive interval of any horizontal well shall be no closer than 460 feet from the boundaries of the unit and not less than 150 feet from the productive interval of another well within the unit, and authorize up to one (1) well pad within the proposed unit, or adjacent thereto, unless an exception is granted by the Director.

D. Finding that an approximate 1,280-acre drilling and spacing unit for the development of the Codell and Niobrara Formations on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara and Codell Formations on the Application Lands.

E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED August 31, 2018.

Respectfully submitted:

Great Western Operating 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:

Great Western Operating Company, LLC
ATTN: Santiago Rodriguez
1801 Broadway, Suite 500
Denver, CO 80202

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


Santiago Rodriguez
Senior Landman
Great Western Operating Company, LLC

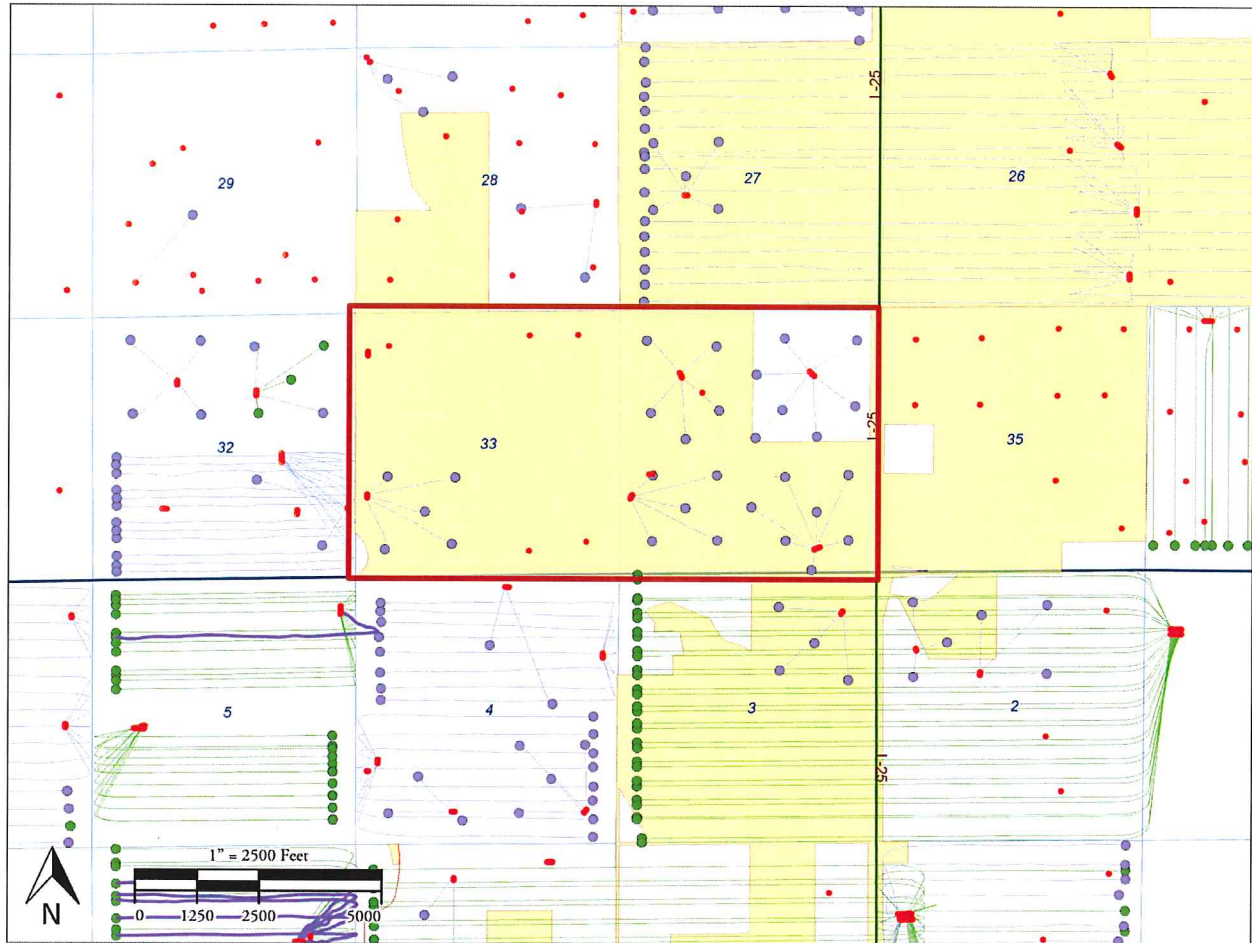
Witness my hand and official seal.

JANET C WILLSON
Notary Public
State of Colorado
Notary ID # 20024018949
My Commission Expires 06-11-2022

Janet C Wilson
Notary Public

Reference Map

Great Western Operating Company, LLC
Section 33 and 34, Township 4 North, Range 68 West, 6th P.M.



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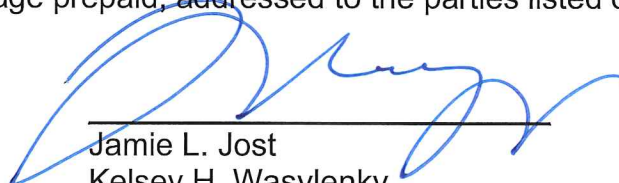
DOCKET NO. 181200____

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 Great Western Operating Company, and that on or before the 6th 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 31st day of August, 2018.

Witness my hand and official seal.



Notary Public

KERRY LEBLEU NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19934018734 MY COMMISSION EXPIRES JULY 24, 2021
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EXHIBIT A
GWOC – SP – 4N-68W 33-34

Kerr-McGee Oil & Gas Onshore, LP
1099 18th Street, Suite 1900
Denver, CO 80202

Vanguard Operating, LLC
5847 San Felipe, Suite 3000
Houston, TX 77057-3399

Grizzly Petroleum Company, LLC
1001 17th ST., Ste. 2000
Denver, CO. 80202

Great Western Operating Company, LLC
ATTN: Matthew Acree
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Denver, CO 80202

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

Troy Swain
Weld County
Department of Planning Services
1555 North 17th Avenue
Greeley, CO 80631