

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

IN THE MATTER OF THE **AMENDED**)
APPLICATION OF MORNING GUN) CAUSE NO. **535**
EXPLORATION LLC FOR AN ORDER **PARTIALLY**)
VACATING ORDER NO. 535-69, ESTABLISHING) DOCKET NO. 181200898
AN APPROXIMATE 1280-ACRE DRILLING AND)
SPACING UNIT AND WELL LOCATION RULES) TYPE: SPACING
APPLICABLE TO THE DRILLING AND)
PRODUCING OF WELLS FROM THE NIOBRARA,)
FORT HAYS, CODELL AND CARLILE)
FORMATIONS COVERING CERTAIN LANDS IN)
SECTIONS 2 AND 11, TOWNSHIP 7 NORTH,)
RANGE 59 WEST, 6TH P.M., BUCKINGHAM FIELD)
AND OTHERS, WELD COUNTY, COLORADO)

AMENDED APPLICATION

Morning Gun Exploration LLC (“Applicant”), Operator No. 10656, by and through its attorneys, Akers & Thompson LLC, respectfully submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission”) for approval of an order requesting to: **partially vacate Order No. 535-69 as to the Niobrara Formation covering Section 2 of Township 7 North, Range 59 West, 6th P.M.;** establish an approximate 1280-acre drilling and spacing unit (DSU) in the Application Lands; establish certain well location rules; and drill up to twelve (12) wells within the proposed DSU, for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations covering certain lands in Weld County, Colorado. In support of its Application, Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in Colorado.
2. Applicant owns leasehold interests and/or the right to operate in the following lands (“Application Lands”), and is therefore an owner as defined by the Colorado Oil and Gas Conservation Act and Commission Rules:

Township 7 North, Range 59 West, 6th P.M.

Section 2: ALL

Section 11: ALL

1280.00 acres, more or less, Weld County, Colorado

A reference map of the Application Lands is attached hereto as Exhibit B.

3. Commission Rule 318.a. requires that wells drilled to a depth of 2,500 feet or greater be located not less than 600 feet from any lease line and be located not less than 1,200 feet from any other producible oil or gas well when drilling to the same common source of supply, unless authorized by the Commission upon hearing. The Application Lands are subject to Rule 318.a. for the Niobrara, Fort Hays, Codell and Carlile Formations.

4. **On September 23, 2011, the Commission entered Order No. 535-69, which established 40 approximate 640-acre drilling and spacing units covering the Niobrara Formation in Sections 2, 3 and 5, Township 7 North, Range 59 West, 6th P.M.; Sections 7, 9, 14, 16 through 30, 33 and 35, Township 8 North, Range 59 West, 6th P.M.; Sections 9, 14 and 24, Township 8 North, Range 60 West, 6th P.M., Sections 22, 23 and 31 through 35, Township 8 North, Range 60 West, 6th P.M.; Section 1, Township 9 North, Range 58 West, 6th P.M.; Sections 11 and 32, Township 9 North, Range 59 West, 6th P.M.; Sections 5, 8, 18 and 20 Township 9 North, Range 60 West, 6th P.M.; and approved two horizontal wells within each unit with the treated interval of the wellbore for the permitted wells to be located no closer than 600 feet from the unit boundaries, and no closer than 150 feet from any existing or permitted oil or gas wellbore, unless an exception is authorized by the Director.**

5. **The records of the Commission reflect that no wells are currently producing from the Niobrara formation in the Application Lands.**

6. To promote efficient drainage of the Niobrara, Fort Hays, Codell and Carlile Formations of the Application Lands, to protect correlative rights, and to avoid waste, the Commission should approve an order requesting to: **partially vacate Order No. 535-69 as to the Niobrara Formation covering Section 2 of Township 7 North, Range 59 West, 6th P.M.**; establish an approximate 1280-acre drilling and spacing unit in the Application Lands; establish certain well location rules; and drill up to twelve (12) wells within the new unit, for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations.

7. The proposed drilling and spacing unit will allow efficient drainage of the Niobrara, Fort Hays, Codell and Carlile Formations; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the reservoirs. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.

8. The Applicant is requesting to drill and complete up to twelve (12) horizontal wells within in the unit in order to efficiently and economically recover the oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations within the Application Lands.

9. The Applicant states that the wells will be drilled from no more than two (2) well pads in the unit, or a legal location adjacent thereto.

10. The treated interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the unit and all horizontal wells shall be no closer than 150 feet from the treated interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.

11. The names of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A hereto and made a part hereof, and the undersigned certifies that copies of this **Amended** Application shall be served on each interested party within seven (7) days after filing of the original application as required by Rules 503.e. and 5076.b.(1).

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. Partially vacating Order No. 535-69 as to the Niobrara Formation covering Section 2 of Township 7 North, Range 59 West, 6th P.M.;

B. Establishing an approximate 1280-acre drilling and spacing unit for Sections 2 and 11, Township 7 North, Range 59 West, 6th P.M., and allowing up to twelve (12) horizontal wells in the unit in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations in the unit;

C. Providing that the treated interval of any horizontal well be located no closer than 600 feet from the boundaries of the unit and no closer than 150 feet from the treated interval of another well within the unit, and authorizing up to two (2) well pads in the unit, or legal location adjacent thereto, unless an exception is granted by the Director;

D. Finding that an approximate 1280-acre drilling and spacing unit for the development of Niobrara, Fort Hays, Codell and Carlile Formations on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara, Fort Hays, Codell and Carlile Formations in the Application Lands;

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

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Dated this ~~5th 13th~~ day of ~~November~~ ~~September~~, 2018

Respectfully Submitted,
Akers & Thompson, LLC



By: _____
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Akers & Thompson, LLC
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Denver, CO 80237
720-488-0835
tchatman@akersthompsonlaw.com

Address of Applicant
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1601 Arapahoe Street
Daniels and Fisher Tower, Box 1-4th Floor
Denver, CO 80202

VERIFICATION

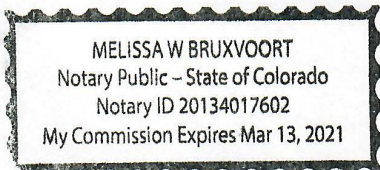
STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

Stephen J. Smeltz, Landman for Morning Gun Exploration 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.

Morning Gun Exploration
Smeltz
Stephen J. Smeltz, Landman

Subscribed and sworn to before me this 6th day of November, 2018, by Stephen J. Smeltz, as Landman for Morning Gun Exploration.

Witness my hand and official seal.



Melissa W. Bruxvoort
Notary Public

EXHIBIT A

Township 7 North, Range 59 West, 6th P.M.

Section 2: ALL

Section 11: ALL

INTERESTED PARTIES

James B. McNay and Nancy L. McNay
208 Delmar St.
Sterling, CO 80751

Webb Royalties
525 S. Main St. STE. 700
Tulsa, OK 74103

Webb Royalties
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Tulsa, OK 74101

Sallie Lutin
1601 Pennsylvania NE, X-10
Albuquerque, NM 87110

Sallie Lutin
P.O. Box 1473
Kingsland, GA 31548

Lutin Curlee Family Partnership
c/o Sharon McCormick
405 Camino Del Mundo
Ft. Collins, CO 80524

Trinity Episcopal Church of Tulsa, Inc.
P.O. Box 3499
Tulsa, OK 74101

Trinity Episcopal Church of Tulsa, Inc.
501 S. Cincinnati Ave.
Tulsa, OK 74103

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922 Bellevue Pl.
Kokomo, IN 46901

William McGarvey
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Carmel, IN 46032

Ann McClelland
7926 Sendero Ridge Dr.
Fair Oaks Ranch, TX 78015

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P.O. Box 337
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Buckingham Royalty Company
707 7th Ave.
Greeley, CO 80631

Acoma Energy LLC
4100 East Mississippi Ave, Suite 400
Denver CO 80246

Beauleo Minerals LLC
5 Brighton Way
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1575 Ocean Shore Blvd. #602
Ormond Beach, FL 32176

Margaret Stephenson
1357 43rd Ave. Unit 27
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c/o David G. Davies
5110 N. 40th St. #236
Phoenix, AZ 85018

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Fleming, CO 80728

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John E. Elliff
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Grace E. Zorn
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Spring Hill, FL 34609

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4409 Lantern Dr.
Titusville, FL 32796

Nancie Zorn Shellenbaum
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Cambridge Royalty Company
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Dave Davies and Northern Trust Bank, Co-Trustees
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Christopher D. Maybray
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Colonial Royalties
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Pentagon Oil
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Lisa Baleto
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Lowell, AR 72745

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Margaret A. Stephenson, Trustee
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Greeley, CO 80634

Grandchildren's Trust I
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Greeley, CO 80634

Grandchildren's Trust II
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Greeley, CO 80634

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A.D. Kleyhauer Jr.
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Colorado Department of Public Health & Environment
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Denver, CO 80246
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Colorado Parks and Wildlife
NE Region Building
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Denver, CO 80216
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Email: brandon.marette@state.co.us

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State of Colorado
State Board of Land Commissioners
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Denver, Colorado 80203

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Local Government Designee
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Email: jmaxey@weldgov.com

Troy Swain
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Greeley, CO 80631
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Lakewood, CO 80215

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Daniels and Fisher Tower, Box 1-4th Floor
Denver, CO 80202

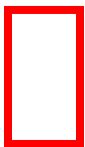
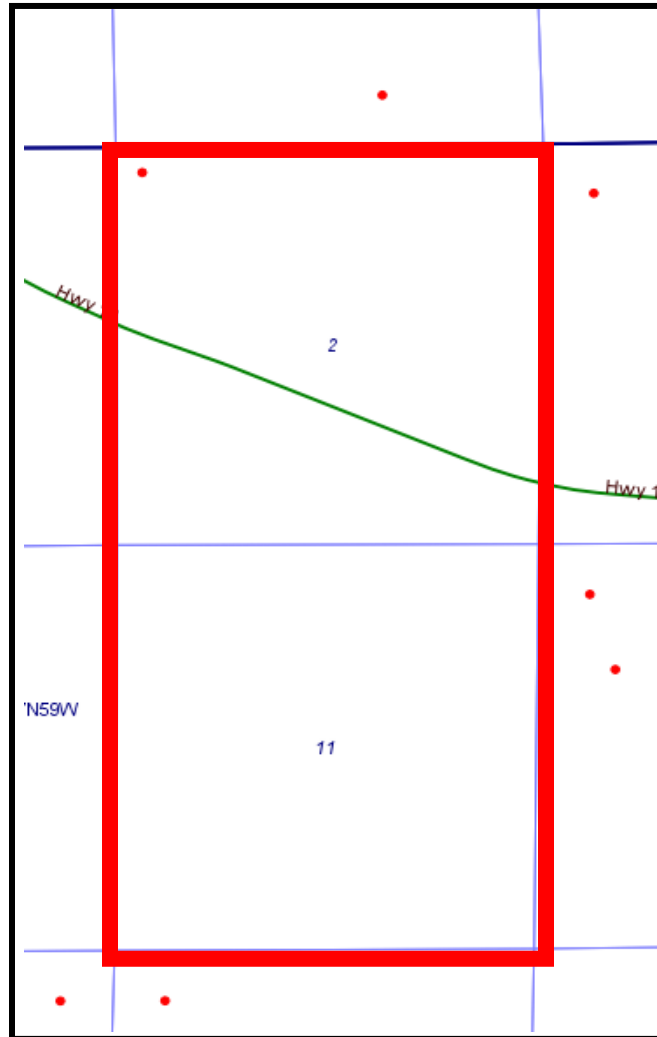
EXHIBIT B

Reference Map for Spacing Application

Township 7 North, Range 59 West, 6th P.M.

Section 2: ALL

Section 11: ALL



= Application Lands

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OF THE STATE OF COLORADO

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RANGE 59 WEST, 6TH P.M., BUCKINGHAM FIELD)
AND OTHERS, WELD COUNTY, COLORADO)

AFFIDAVIT OF MAILING

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

I, Troy L. Chatman II, of lawful age, and being first duly sworn upon my oath, state, and declare that I am the attorney for Morning Gun Exploration LLC, and that on or before November 13, 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 of the Amended Application.

Troy L. Chatman II

Subscribed and sworn to before me this 6th day of November, 2018.

Witness my hand and official seal.

My commission expires: Oct. 15 2019

Notary Public

