

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

IN THE MATTER OF THE APPLICATION OF
GMT EXPLORATION COMPANY LLC FOR AN
ORDER TO ESTABLISH AN APPROXIMATE
960-ACRE DRILLING AND SPACING UNIT,
APPROVE UP TO TEN (10) HORIZONTAL
WELLS WITHIN THE UNIT, AND APPROVE
REDUCED BOUNDARY SETBACKS OF 460'
WITH WELL LOCATION RULES FOR THE
NIOBRARA FORMATION IN SECTION 15 AND
THE E½ OF SECTION 16, TOWNSHIP 3
SOUTH, RANGE 64 WEST, 6TH P.M.,
UNNAMED FIELD, ADAMS COUNTY,
COLORADO

CAUSE NO. 535

DOCKET NO. 190100____

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 960-acre drilling and spacing unit, approve up to ten (10) horizontal wells within the unit, and approve reduced setbacks of 460 feet from the boundaries of 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 3 South, Range 64 West, 6th P.M.

Section 15: All

Section 16: E½

960 acres, more or less, Adams 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 960-acre drilling and spacing unit for the Application Lands, approve up to ten (10) horizontal wells within the unit, and approved reduced setbacks of 460' from the unit boundaries for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

6. The above proposed drilling and spacing unit and reduced setbacks 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 an east/west or west/east 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 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.

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 January 28-29, 2019, that notice be given as required by law, and that upon such hearing this Commission enter its order to:

A. Establish an approximate 960-acre drilling and spacing unit for Section 15 and the E½ of Section 16, Township 3 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 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 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 960-acre drilling and spacing unit and reduced boundary setbacks 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 29th day of November, 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.

1. 

Hans C. Schuster
Senior Landman
GMT Exploration Company LLC

Subscribed and sworn to before me this 29th day of November, 2018.

Witness my hand and official seal.

[SEAL]



My commission expires:

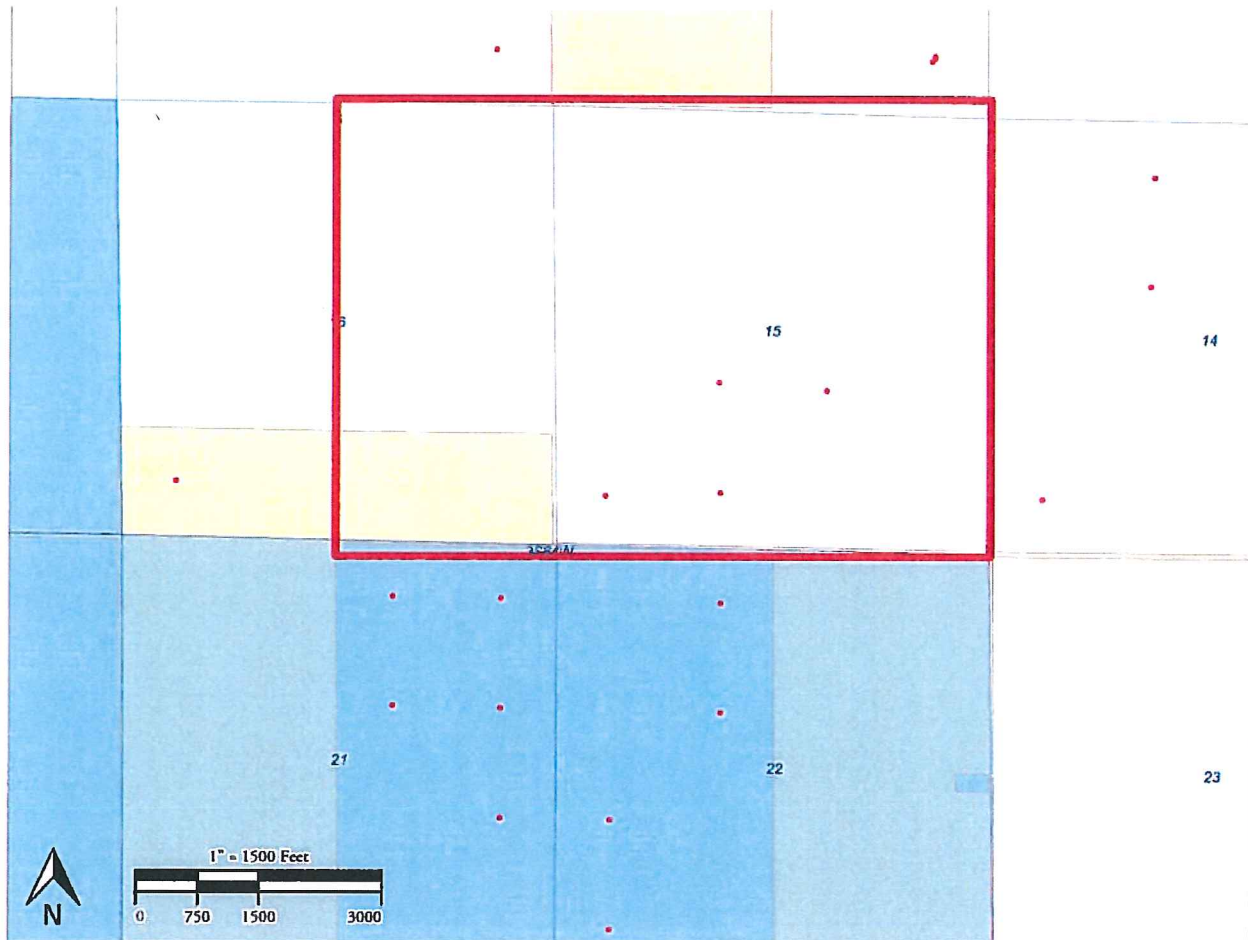
10/14/19



Notary Public

Reference Map
GMT Exploration Company LLC

Section 15 and E½ of Section 16, Township 3 South, Range 64 West, 6th P.M.



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DRILLING AND SPACING UNIT, APPROVE UP TO
TEN (10) HORIZONTAL WELLS WITHIN THE UNIT,
AND APPROVE REDUCED BOUNDARY
SETBACKS OF 460' WITH WELL LOCATION
RULES FOR THE NIOBRARA FORMATION IN
SECTION 15 AND THE E½ OF SECTION 16,
TOWNSHIP 3 SOUTH, RANGE 64 WEST, 6TH P.M.,
UNNAMED FIELD, ADAMS COUNTY, COLORADO

CAUSE NO. 535

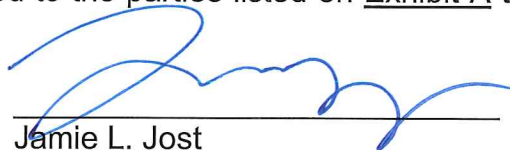
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TYPE: SPACING

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 December, 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 December, 2018.

Witness my hand and official seal.



Notary Public

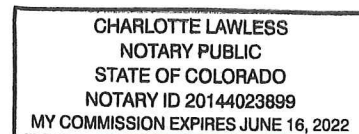


Exhibit A
GMT – Man 3-64 16-15

City of Aurora Planning Department
15151 E. Alameda Parkway
Aurora, CO 80012

Adams County
4300 S. Adams Cty. Pkwy.
Brighton, CO 80601

Lowell D. Piland, DBA Piland Resources
43651 E. 38th Avenue
Bennett, CO 80102

Black Canyon Exploration, LLC
P.O. Box 3281
Greenwood Village, CO 80155

Axis Exploration, LLC
370 17th St., Suite 5300
Denver, CO 80202

Overland Resources, LLC
5910 S. University Blvd, Suite C18 PMB
440
Denver, CO 80202

Hei Resources, Inc.
523 S. Cascade Ste. D.
Colorado Springs, CO 80903

Jeff G. Slade
PO Box 12
Pratt, KS 67124

William R. Thurston Trust
PO Box 2080
Durango, CO 81301

David G. and Roena M. Dean DBA R &
D Interest
3106 Druid Hill Drive
Des Moines, IA 50315-2121

Raymond T. Duncan Oil Properties, Ltd
1777 South Harrison Street, Penthouse 1
Denver, CO 80210

HRM Resources II, LLC
410 17th Street, Suite 1600
Denver, CO 80202

Painted Pegasus Petroleum, LLC
11511 Katy Freeway, Suite 600C
Houston, TX 77079

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

Preston L. Moore, Inc
PO Box 774785
Steamboat Springs, CO 80477

Williams Energy Company Inc,
PO Box 232427
Encinitas, CA 92023

Oil India (USA), Inc.
101 Southwestern Blvd., Suite 136
Sugarland, TX 77478

Haimo Oil & Gas, LLC
2901 Wilcrest Drive, Suite 285
Houston, TX 77042

IOCL (USA), Inc.
333 Clay Street, Suite 3300
Houston, TX 77002

OOGC America, LLC
945 Bunker Hill Rd., Suite 1000
Houston, TX 77024

Chesapeake Exploration, LLC
P.O. Box 18496
Oklahoma City, OK 73154

Axis Exploration, LLC
370 17th St., Suite 5300
Denver, CO 80202

Conoco Phillips Company
600 North Dairy Ashford Road
Houston, TX 77079

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

The Larson Revocable Trust, dated
November 9, 2017, c/o Lanny J. Larson
and Deborah L. Larson, Trustees
15 Rainbow Valley Road
Placitas, NM 87043

Estate Of Mary Ann Turner
7388 Sheephorn Mountain Road
Littleton, CO 80127

Leslie Ybarra
7388 Sheephorn Mountain Road
Littleton, CO 80127

Mountaintop Minerals, LLC
455 Sherman Street, Suite 300
Denver, CO 80203

Anadarko Land Corp
1099 18th Street, Suite 1800
Denver, CO 80202

DJ Homestead, LLC
9033 Easter Place, #112
Centennial, CO 80112

The Revocable Trust of Carroll J. Lisco,
dated May 25, 2011
430 Tank Farm Road
Douglas, WY 82633

Sean Hackett
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

Christine Dougherty
Adams County
4300 South Adams County Pkwy,
Brighton, CO 80601