

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

REQUEST FOR AN ORDER TO ALLOW THREE ADDITIONAL WELLS, FOR A TOTAL OF FOUR WELLS, PER 320 ACRE DRILLING AND SPACING UNITS, IN CERTAIN LANDS LOCATED IN TOWNSHIP 10 NORTH, RANGES 93 AND 94 WEST, 6TH P.M., MOFFAT COUNTY, COLORADO, BIG HOLE FIELD, WITH THE PERMITTED WELL TO BE LOCATED NO CLOSER THAN 600 FEET FROM THE UNIT BOUNDARY

CAUSE NO: 290

ORDER NO:

DOCKET NO:

VERIFIED APPLICATION

COMES NOW the Applicant, Cohort Energy Company, by its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an Order to permit, at the option of the operator, additional wells to be drilled to and completed in the Middle Lewis Formation in certain drilling and spacing units in the Big Hole Field in Moffat County, Colorado. In support thereof, Cohort Energy Company states as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That Applicant owns a leasehold interest in the following described lands, located in the Big Hole Field:

Township 10 North, Range 93 West, 6th P.M.

Section 18: S½

Section 19: All

Section 30: All

Township 10 North, Range 94 West, 6th P.M.

Section 1: All

Section 12: All

Section 13: All

Section 24: All

(the "Application Lands").

3. By Order No. 290-1 dated March 19, 1974, as corrected by Correction of Order dated April 9, 1974, the Oil and Gas Conservation Commission established drilling and spacing units in the Application Lands, among other lands, for production from the Middle Lewis Formation as defined in the application. The order establishes drilling and spacing units of 320-acres for the production of gas from the Middle Lewis Formation consisting of the E/2 and W/2 or the N/2 and S/2 of each section, where designation of the units may be deferred until after permitted wells are drilled provided there is concurrence by all owners within the section and the Director is so advised in writing prior to drilling. The order states that upon completion of a well a designation of the unit may be made with the concurrence by all owners without further hearing. The order provides that the permitted well for each

unit should be located no closer than 600 feet from the boundaries of the drilling unit and no closer than 1,320 feet from another producing or producible well. In the order, as corrected by the correction of order, the designated units for Sections 14, 15 and 22 are defined to be the E/2 and W/2 of each section, and the order states that the wells located therein should be considered the permitted wells for the unit upon which they are located.

4. By Order No. 290-2 dated March 17, 2003, the Oil and Gas Conservation Commission allowed additional wells to be drilled in the 320-acre drilling and spacing units in Sections 10-11, 14-15, and 22-23, Township 10 North, Range 94 West, 6th P.M., for the production of gas and associated hydrocarbons from the Middle Lewis Formation. Permitted wells for all subsequent wells were to be located no closer than 600 feet from the boundaries of a unit and 990 feet from another well producing or producible from the same formation. Exception to well location setbacks, up to and including 100 feet, but not beyond, to avoid archaeological sites and for topographic reasons, were allowed without additional notice and hearing or consent.

5. The Big Hole Deep Unit covers all formations underlying the Lewis Shale, or from the top of the Mesaverde Formation down. The Big Hole Deep Unit does not affect formations which are the subject of this Application.

6. As to the Application Lands, geological and engineering information obtained in the drilling and producing of wells located in the area and productive of gas and associated hydrocarbons from the Middle Lewis Formation, indicates that in order to adequately and efficiently drain the gas and associated hydrocarbons from the Formation, up to four wells may be required in each such drilling and spacing unit to drain the Middle Lewis Formation efficiently and economically. Applicant requests that, at the option of the operator, three additional wells be permitted to be drilled to and completed in the Middle Lewis Formation in each 320-acre drilling and spacing unit in the Application Lands, with the result that up to four wells can be drilled to and completed in the Middle Lewis Formation in each drilling and spacing unit. Applicant alleges that each such drilling and spacing unit is not smaller than the maximum area that can be efficiently and economically drained by four wells producing from the Middle Lewis Formation, and that the correlative rights of all parties will be protected. Applicant further alleges that the additional wells may be drilled in a manner consistent with the protection of public health, safety and welfare.

7. Because of the well location tolerance permitted by Order No. 290-1 referred to above, and the location of wells previously drilled, in the event the Commission grants this Application to allow up to three additional wells to be drilled on each 320-acre drilling and spacing unit, it is necessary to decrease the required distance between wells producing or producible from the same formation. Applicant requests that the required distance between any well drilled subsequent to the entry of the order in a 320-acre drilling and spacing unit in the Application Lands and another well producing or producible from the same formation be decreased from 1320 feet to 990 feet.

8. The Application Lands might contain archeological sites. Applicant may be required to modify a well location to avoid interference with an archeological site. Therefore, Applicant requests the Commission to authorize the Director to grant an exception to the well location setbacks specified in Order No. 290-1, as corrected, and as modified by this Application, up to and including 100 feet, but not beyond, to avoid archaeological sites without notice and hearing, and without the necessity to obtain consent from the lease owners or the mineral interest owners of the lands toward whom the well location is proposed to be moved.

9. Portions of the Application Lands include extreme topographic relief. Applicant may be

required to modify a well location for topographic reasons. Therefore, Applicant requests the Commission authorize the Director to grant an exception to the well location setbacks specified in Order No. 290-1, as modified by this Application, up to and including 100 feet, but not beyond, for topographic reasons without notice and hearing and without the necessity to obtain the consent from the lease owner or the mineral interest owners of the lands toward whom the well location is proposed to be moved.

10. Applicant alleges and believes that the granting of this Application will prevent waste, protect correlative rights, and assure the greatest ultimate recovery of gas and associated hydrocarbons from the reservoir.

11. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof, first-class postage prepaid, to the last known mailing address of the interested parties. Applicant shall simultaneously submit said list of interested parties to the Commission via electronic media.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in February, 2008, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

DATED: January 7, 2008.

COHORT ENERGY COMPANY

By: _____

Scott M. Campbell
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Telephone: (303) 861-4400
Facsimile: (303) 861-1225

VERIFICATION

STATE OF COLORADO)	
)	ss.
COUNTY OF DOUGLAS)	

Kelly J. Krattenmaker, of lawful age, being first duly sworn upon oath, deposes and says that he is the Area Manager – Land, for Cohort Energy Company, 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.

COHORT ENERGY COMPANY

By: _____
Kelly J. Krattenmaker, Area Manager – Land

Subscribed and sworn to before me this _____ day of January, 2008.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

EXHIBIT A

Attached to and made a part of the
Verified Application of Cohort Energy Company
Cause No. 290, Docket No. _____

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AFFIDAVIT OF MAILING

STATE OF COLORADO

)

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ss.

COUNTY OF DENVER

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Scott M. Campbell, of lawful age, being first duly sworn upon oath, states and declares:

That he is the attorney for Cohort Energy Company, Applicant herein; that on the 7th day of January, 2008, he caused a copy of the attached Application and Notice of Hearing to be deposited in the United States Mail, postage prepaid, addressed to each of the parties listed on Exhibit "A" to the Application.

POULSON, ODELL & PETERSON, LLC

By: _____

Scott M. Campbell
1775 Sherman Street, Suite 1400
Denver, Colorado 80203-4319
Telephone: (303) 861-4400
Facsimile: (303) 861-1225

Subscribed and sworn to before me this 7th day of January, 2008.

Witness my hand and official seal.

My commission expires: March 8, 2010.

Notary Public