

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

IN THE MATTER OF THE APPLICATION OF)
ENCANA OIL & GAS (USA) INC. FOR AN)
ORDER POOLING ALL NONCONSENTING)
INTERESTS IN THE J SAND, CODELL, AND)
NIOBRARA FORMATIONS IN AN)
ESTABLISHED DRILLING AND SPACING)
UNIT LOCATED IN THE WATTENBERG)
FIELD, BROOMFIELD COUNTY, COLORADO)

Cause No. _____

Docket No.

APPLICATION

COMES NOW EnCana Oil & Gas (USA) Inc. (referred to herein as “Applicant”), by and through its undersigned counsel, and makes application to the Oil and Gas Conservation Commission of the State of Colorado (“COGCC”), for an order designating a drilling and spacing unit and to pool all non-consenting interests for the drilling of wells in an approximate 320-acre drilling and spacing unit a in the J Sand, Codell, and Niobrara Formations in the lands more particularly described in Paragraph 2 below located in Township 1 North, Range 68 West, 6th P.M., Broomfield County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. That the Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That the Applicant owns leasehold interests in the drilling and spacing unit requested for pooling.

Township 1 North, Range 68 West, 6th P.M.
Section 34: E/2

Broomfield County, Colorado

(“Application Lands”)

3. These lands are also subject to the provisions of Rule 318A(e) of the Rules and Regulations of this Commission.
4. The Application Lands are also subject to Commission Orders Nos. 232-23, 232-89 and 407-66. Order No. 232-23 established 320-acre drilling and spacing units for the production of gas and associated hydrocarbons from the “J” Sand.
5. The attached Well Proposal Plat, Exhibit A, describes the spacing unit Applicant wishes to designate and for purposes of force pooling the proposed wells.
6. Applicant proposes to drill the following wells within the 320-acre drilling and spacing unit described in paragraph 2 above (Section 34: E/2) and as reflected on the Well Proposal Plat:

<u>Well Names</u>	<u>Surface Location</u>	<u>Bottomhole Location</u>
Kats 31-34	1648’ FNL & 1637’ FEL	660’ FNL & 2130’ FEL
Kats 41-34	1648’ FNL & 1622’ FEL	510’ FNL & 510’ FEL
Kats 42-34	1663’ FNL & 1637’ FEL	2130’ FNL & 510’ FEL
Kats 6-4-34	1663’ FNL & 1652’ FEL	2590’ FNL & 1330’ FEL

These proposed surface locations and bottomhole locations are reflected on the approved APDs attached hereto as Exhibit B.

7. AFEs containing the information required by COGCC Rule 530.a. were sent regarding these wells more than thirty (30) days prior to the date of the hearing on this Application. A copy of an example of such AFEs and letter are attached hereto as Exhibit C.
8. Moreover, that with respect to any non-consenting owners of unleased mineral interests listed on Exhibit D, Applicant has made reasonable attempts pursuant to COGCC Rule 530.b. to

enter into leases with such parties but has as of yet been unsuccessful in such attempts. A copy of the form of the letter sent to the unleased interest owners is attached hereto as Exhibit C.

9. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owned by the nonconsenting parties listed on Exhibit D should be pooled in the J Sand, Codell, and Niobrara Formations in accordance with C.R.S. § 34-60-116 and Rule 530 of the COGCC.

10. That the names and addresses of the interested parties with respect to this Application are as set forth in Exhibit D hereto and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.d.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. That all leasehold working interest owners with whom Applicant has been unable to secure an agreement for the drilling of the proposed well and all unleased mineral interests owners who refuse to execute a lease as described in paragraphs 7 and 8 be pooled involuntarily with respect to the J Sand, Codell, and Niobrara Formation wells, and that such owners be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the terms and penalties provided for therein.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this ____ day of April, 2008.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC.

By:

Michael J. Wozniak
BEATTY & WOZNIAK, P.C.
216 16th Street, Suite 1100
Denver, CO 80202
(303) 407-4499

Applicants' Address:

370 17th Street, Suite 1700
Denver, CO 80202

VERIFICATION

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

Drew E. Neagle, Land Negotiator of EnCana Oil & Gas (USA) Inc., 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.

ENCANA OIL & GAS (USA) INC.

By: _____
Drew E. Neagle, Land Negotiator

Subscribed and sworn to before me this _____ day of April, 2008, by Drew E. Neagle, Land Negotiator of EnCana Oil & Gas (USA) Inc.

Witness my hand and official seal. My commission expires:_____

Notary Public

EXHIBIT D

Interested Parties

Huron and I-25 Land, LLC 165 S. Union Boulevard Lakewood, CO 80288 Attn: Hank Brumley	Leased
Farmers Reservoir and Irrigation Company 80 S. 27 Avenue Brighton, CO 80601	Leased
Colorado Department of Transportation 4201 E. Arkansas Ave EP 770 Denver, CO 80222-3406	Leased
Northlands Colorado, LLC c/o David Goldberg Alberta Development Corp. 5460 South Quebec St., Suite 100 Greenwood Village, CO 80111	Unleased
Broomfield Urban Renewal Authority One DesCombes Drive Broomfield, CO 80020-2495	Leased