

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

IN THE MATTER OF THE APPLICATION OF EAST)
CHEYENNE GAS STORAGE, LLC FOR AUTHORITY TO) Cause No. 5-1
UNITIZE CERTAIN PORTIONS OF THE J-SAND)
FORMATION IN THE PEETZ WEST FIELD, LOGAN) Docket No. _____
COUNTY, COLORADO FOR ENHANCED RECOVERY)
OPERATIONS

VERIFIED APPLICATION TO UPDATE AND AMEND ORDER ISSUED IN CAUSE NO. 5-1

East Cheyenne Gas Storage, LLC ("Applicant"), through its attorneys, Bjork Lindley Little PC, respectfully requests the Colorado Oil and Gas Conservation Commission ("Commission") amend the Order issued in Cause No. 5-1 authorizing the unitization for purposes of an enhanced recovery project involving certain portions of the J-Sand Formation in the Peetz West Field, Logan County, Colorado. The Applicant wishes to demonstrate that 80 percent or more of the royalty interest owners have now approved and consented to the proposed unit.

In support of this verified application, Applicant states as follows:

1. Applicant is a limited liability company organized and existing under the laws of Delaware. It is authorized to do business in Colorado and is registered as an oil and gas operator with the Commission.

2. Applicant is a working interest owner, operates wells in lands included within the area sought to be unitized, and will operate the proposed enhanced recovery units and the gas storage project. Applicant is an interested party and has a right to bring this Application as required by Rules 401.b and 503.b(3).

3. On June 29, 2010, but effective June 1, 2010, the Commission issued an Order in Cause No. 5-1 approving the unitization of the following lands in the J-Sand Formation for enhanced recovery operations in the existing Peetz West Field, Logan County, Colorado:

Township 11 North, Range 52 West, 6th P.M.

Section 6: Lots 1, 2, 3, 4, 5, 6 and 7, and the S½ NE¼, the E½ SW¼, the SE¼ NW¼, and the SE¼

Township 12 North, Range 52 West, 6th P.M.
Section 31: Lots 3 and 4 and the SE $\frac{1}{4}$, and the E $\frac{1}{2}$ SW $\frac{1}{4}$

Township 11 North, Range 53 West, 6th P.M.
Section 1: Lot 1, and the SE $\frac{1}{4}$ NE $\frac{1}{4}$

Township 12 North, Range 53 West, 6th P.M.
Section 36: E $\frac{1}{2}$ SE $\frac{1}{4}$

(the "J-Sand Application Lands").

Consent of 80 Percent or More of Royalty Interest Owners

4. The Order issued in Cause No. 5-1 stated that it "shall become effective, as provided by law, upon further Order of the Commission following a demonstration by the Applicant that 80 percent or more of the royalty interest owners have approved and consented to the proposed unit."

5. Applicant has now obtained the written approval and consent of 80 percent or more of the royalty interest owners as required by the Order issued in Cause No. 5-1 and shall so demonstrate to the Commission.

Notice to Interested Persons

6. Upon information and belief, the names and last known addresses of interested parties as defined in Rule 507.b(1) and (3), the Colorado Department of Public Health and Environment, the Colorado Division of Wildlife and the local governmental designee for Logan County, Colorado are listed in the attached Exhibit 19.

7. Applicant shall submit a Certificate of Service confirming the mailing of this Application, including Exhibit 19, first class postage prepaid, to the last known mailing address of the persons to be served as required by Rule 503.e. The notice provisions of Rule 403 do not apply to this Application because no fluids will be injected as a part of the proposed enhanced recovery operations. Nor will the enhanced recovery operations involve the storage of liquid hydrocarbons in the J-Sand Application Lands.

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 an order consistent with the relief requested in this Verified Application.

Respectfully submitted on October 6, 2010.

BJORK LINDLEY LITTLE PC

By: /s/ David R Little

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Applicant's Address:

East Cheyenne Gas Storage, LLC
10901 W. Toller Drive, Suite 200
Littleton, Colorado 80127

VERIFICATION

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

David W. Hooker, of lawful age, being first duly sworn upon oath, deposes and says that he is Managing Director for East Cheyenne Gas Storage, LLC, that he has read the foregoing Application of East Cheyenne Gas Storage, LLC and that the matters therein contained are true to the best of his knowledge, information and belief.

East Cheyenne Gas Storage, LLC

By: /s/ David Hooker
Managing Director

Subscribed and sworn to before me this 30th day of September, 2010.

Witness my hand and official seal.

Notary Public

My commission expires: _____