

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

IN THE MATTER OF THE APPLICATION)
OF GREAT WESTERN OIL AND GAS)
COMPANY LLC FOR AN ORDER)
ESTABLISHING A SPACING UNIT)
AND POOLING CERTAIN INTERESTS)
FOR THE PRODUCTION OF OIL AND)
GAS FROM THE CODELL AND)
NIOBRARA FORMATIONS UNDERLYING)
CERTAIN LANDS IN WELD COUNTY,)
COLORADO)

CAUSE NO. 407

DOCKET NO. _____

APPLICATION

The Applicant, Great Western Oil and Gas Company, LLC ("Great Western"), by and through its undersigned counsel, respectfully petitions the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing a spacing unit and pooling certain interest in spacing units in certain lands as follows:

BACKGROUND

1. Great Western is a limited liability company duly authorized to conduct business in the State of Colorado.
2. Great Western owns an oil and gas leasehold interest in the SW1/4 of Section 2, Township 4 North, Range 67 West, 6th P.M., Weld County, Colorado ("Section 2" hereinafter).
3. According to the records of the Commission, no wells have been drilled in the SW1/4 of Section 2.
4. Great Western desires to drill five (5) wells in SW1/4 of Section 2 to the Codell and Niobrara formations. It desires to drill the Coulson 2-13 and Coulson 2-14 wells on an 80-acre unit composed of the W1/2SW1/4, the Coulson 2-23 and the Coufal 2-24 wells on an 80-acre unit composed of the E1/2SW1/4, and the Coulson 2-53 well in the center of and on a 160-acre unit composed of the SW1/4 of Section 2.

SPACING REQUEST

5. The Commission, in Cause No. 407 by Orders No. 407-1, 407-10 and 407-87, established 80 acre drilling and spacing units for production of oil and gas from the Codell and Niobrara formations underlying the SW1/4 of said Section 2.
6. According to the records of the Commission, the E1/2 and W1/2 have been declared drilling and spacing units for Codell and Niobrara production from said SW1/4.

7. Colorado Revised Statute Section 34-60-116(4) authorizes the Commission to decrease or increase the size of drilling units in order to prevent or assist in preventing waste, avoid the drilling of unnecessary wells, and/or protect correlative rights.

8. Commission Rule 318A (Greater Wattenberg Area Special Well Location Rule), provides that a well may be drilled and production commingled from formations, including the Codell and Niobrara formations, when the bottom-hole location of such well is within a square with sides of 800 feet, the center of which is the center of the SW1/4. At subsection (a)(4)(B), the Rule provides that with respect to such a well drilled to the center of the SW1/4, Great Western may apply to the Commission to establish an alternate spacing unit for the well.

9. Great Western requests that the Commission establish a 160-acre drilling and spacing unit consisting of the SW1/4 of Section 2, for the Codell and Niobrara formations, for the Coulson 2-53 Well, which will be drilled to the center of the SW1/4 pursuant to Commission Rule 318A(a)(4)(B).

10. Testimony before the Commission has previously established that 160-acre drilling units are not less than the maximum area than can be efficiently, economically and effectively drained by a single well producing oil, gas and associated hydrocarbons from the Codell and Niobrara formations underlying said SW1/4.

11. The establishment of such a unit will prevent or assist in preventing waste by assuring that the well in the center location in the SW1/4 may be completed and produced without prejudice to the rights of other leasehold or mineral owners, and ensuring that the pool as a whole may be efficiently and economically developed.

12. The establishment of such a unit will protect the correlative rights of both leasehold owners and mineral owners in the SW1/4.

INVOLUNTARY POOLING REQUEST

13. Colorado Revised Statute Section 34-60-116 authorizes the Commission to pool separately owned interests located within a drilling unit, for the development and operation of a well.

14. Great Western has attempted to negotiate an oil and gas lease from Colorado Front Range Holdings Inc. ("CFRH") covering its unleased oil and gas rights in the SW1/4. Great Western has sent a proposed lease and an AFE to the CFRH, giving it the opportunity to either lease or participate in the drilling of the proposed wells. The terms of the lease offered to CFRH are reasonable and no less favorable than those prevailing in the area at this time.

15. Great Western has also sent a proposed AFE to Connie Greenwald, a leasehold interest owner in the SW1/4, to her last known address shown in the public land records of Weld County, giving her the opportunity to participate in the drilling of the proposed wells. Efforts to locate Ms Greenwald have also been made using five online databases. Ms. Greenwald has not responded to Great Western's offer.

16. With respect to the proposed Coulson 2-13 and Coulson 2-14 wells an Order of the Commission pooling all interests in the W1/2SW1/4 is necessary in order to afford each owner of an interest in the W1/2SW1/4 the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the W1/2SW1/4.

17. With respect to the proposed Coulson 2-23 and Coufal 2-24 wells an Order of the Commission pooling all interests in the E1/2SW1/4 is necessary in order to afford each owner of an interest in the E1/2SW1/4 the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the E1/2SW1/4.

18. With respect to the proposed Coulson 2-53 Well, an Order of the Commission pooling all interests in the SW¼ is necessary in order to afford each owner of interest in the SW1/4 the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the SW1/4.

19. The granting of such an Order would not be prejudicial to the owners in the SW1/4 and would protect correlative rights.

20. The granting of such an Order would prevent or assist in preventing waste and will insure that the pool as a whole may be efficiently and economically developed.

REQUEST FOR HEARING AND ORDER

WHEREFORE, Great Western prays that this matter be set for hearing on October 21 or 22, 2010, that Notice of said Hearing be given as required by law, if no protests are timely received, the matter be considered pursuant to Rule 511(b), and the Commission enter an Order in Cause 407 to:

A. Establish a 160-acre drilling and spacing unit consisting of the SW1/4 of Section 2 for the Coulson 2-53 Well to be drilled in the center of such quarter section, as authorized by Commission Rule 318A, for production of oil and gas from the Codell and Niobrara formations.

B. Pooling all leasehold interests in the SW1/4 for the proposed Coulson 2-53 Well; in the W1/2SW1/4 with respect to production from the proposed Coulson 2-13 and Coulson 2-14 wells; and, in the E1/2SW1/4 with respect to production from the proposed Coulson 2-23 and Coufal 2-24 wells; with respect to production from the Codell and Niobrara formations, and that such pooling order:

(1) be upon terms and conditions that are just and reasonable and that afford to the owner of each tract or interest the opportunity to recover or receive, without unnecessary expense, his just and equitable share of oil and gas;

(2) provide that production be allocated to each owner therein on the basis of the proportion that the number of mineral acres held by each owner in such drilling unit bears to the total number of mineral acres within the drilling unit;

(3) provide that Great Western be allowed to recover from any non-consenting owner's share of production the penalty costs as provided in Colorado Revised Statute Section 34-60-116 (7); and

(4) require Great Western to provide each leasehold interest owner with monthly statement of costs incurred together with the quantity of oil and gas produced and proceeds realized, pursuant to C.R.S. §34-60-116(8).

RESPECTFULLY SUBMITTED this 1st day of September, 2010.

**LOHF SHAIMAN JACOBS HYMAN
& FEIGER, P.C.**

By: _____
J. Michael Morgan

Great Western=s Address:

Great Western Oil and Gas Company, LLC
1700 Broadway, Suite 1170
Denver, CO 80290

EXHIBIT "A"
TO
APPLICATION OF GREAT WESTERN OIL AND GAS COMPANY LLC

**Interested Parties in the SW1/4 of Section 2,
Township 4 North, Range 67 West**

Applicant: Great Western Oil and Gas Company, LLC
1700 Broadway, Suite 1170
Denver, CO 80290

Applicant's Attorney: J. Michael Morgan, Esq.
Lohf Shaiman Jacobs Hyman & Feiger PC
950 South Cherry Street, Suite 900
Denver, CO 80246

Local Government Designee: Bruce T. Barker, Esq.
Weld County Commissioner Office
P.O. Box 758
Greeley, CO 80634

Leased Mineral Owners: Richard L. Coulson and Kenneth L. Coulson
3609 N. County Road 13
Loveland, CO 80538

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

Helen D. Stroh
P.O. Box 147
Milliken, CO 80543

Harry R. Meyer, Jr. and Carolyn I. Meyer, JT
P.O. Box 96
Johnstown, CO 80534

Colorado Department of Transportation
c/o Receipts and Deposits
4201 East Arkansas Ave., Room 212
Denver, CO 80222

Richard W. Mann and Laurilla Jane Mann, h/w
23510 Highway 257
Milliken, CO 80543

William J. Coufal and Margaret R. Coufal, JT
23001 WCR 21.75
Milliken, CO 80543

Unleased Mineral Owners:

Colorado Front Range Holdings, Inc.
615 W 8th Avenue
Yuma, CO 80759

Leasehold Owners:

Great Western Oil and Gas Company, LLC
1700 Broadway, Suite 1170
Denver, CO 80290

Canamex, LLC
1700 Broadway, Suite 1170
Denver, CO 80290

Noble Energy, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202

Morgan Exploration, LLC
3333 S. Bannock St., Ste. 950
Englewood, CO 80110

Geotech Production, Inc.
7844 S. Espana Way
Aurora, CO 80016

James R. Wiseman
2096 Emerson St.
Denver, CO 80205-5212

Connie Greenwald
7204 E. Briarwood Circle
Englewood, CO 80112
(Last known Address)

VERIFICATION

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

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is a Petroleum Landman employed as the Land Manager for Great Western Oil and Gas Company, LLC whose address is 1700 Broadway, Suite 1170, Denver, CO 80290.

2. He has read the within application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.

Royce H. Allen

Subscribed and sworn to before me this _____ day of August, 2010.

Witness my hand and official seal.

My commission expires: _____

Notary Public

CERTIFICATE OF MAILING

I hereby certify that on the 1st day of September, 2010, a true and correct copy of the foregoing was mailed via U.S. First-Class Mail, postage prepaid, to the following:

Great Western Oil and Gas Company, LLC
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Denver, CO 80290

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Tonja L. Hoisington, Paralegal