

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

IN THE MATTER OF THE APPLICATION OF)	
PETRO-CANADA RESOURCES (USA) INC.)	CAUSE NO.
FOR AN ORDER POOLING ALL UNLEASED)	
AND NONCONSENTING INTERESTS IN THE)	Docket No. _____
CODELL FORMATION IN DRILLING AND)	
SPACING UNIT LOCATED IN THE)	
WATTENBERG FIELD, WELD COUNTY,)	
COLORADO)	

APPLICATION

COMES NOW Petro-Canada Resources (USA) Inc. (referred to herein as “Applicant”), by and through its undersigned attorneys, and makes application to the Oil and Gas Conservation Commission of the State of Colorado (“COGCC”), for an order establishing certain wellbore drilling and spacing units and for an order to pool all unleased and non-consenting interests for the drilling of wells in the below described drilling and spacing unit for the Codell Formation in Section 28, Township 4 North, Range 68 West, Weld 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 certain leasehold interests in the unit requested for pooling.
- 3. COGCC Order No. 407-87 established the 80-acre drilling and spacing units for the production of gas from the Codell Formation underlying certain lands, including the Application Lands described below. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formation from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. The Application Lands are subject to this Rule for the Codell Formation.
- 4. Applicant seeks an order establishing an approximate 160-acre wellbore spacing unit for the below described Application Lands for the production of oil and associated hydrocarbons from the Codell Formation, and to pool all unleased and non-consenting interests in that 160-acre wellbore spacing unit, for the development and operation of the Codell Formation.

Township 4 North, Range 68 West, 6th P.M.

Section 28: NE/4

(“Application Lands”).

- 5. Applicant drilled the following well within the drilling and spacing unit encompassed in the Application Lands and described in paragraph 4 above as follows: Hornung 28-15. A plat is attached showing the location.
- 6. That the parties listed on Exhibit A hereto own separate mineral interests in the Application Lands encompassed within the drilling and spacing unit, and such parties have been offered to lease those interests and/or the option to participate in the drilling of the referenced well in the unit, but to date one or more of such parties have refused to participate by leasing their interest and/or bearing their proportionate shares of the costs and risks of drilling or operating the well. An AFE containing the information required by

COGCC Rule 530.a. was sent respecting this well more than thirty (30) days prior to the date of the hearing on this Application. A copy of such AFE and letter is attached hereto as Exhibit B.

7. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests listed on Exhibit A should be pooled in the Codell Formation in accordance with C.R.S. §34-60-116 and Rule 530 of the COGCC.

8. That the names and addresses of the interested parties with respect to this Application are as set forth in Exhibit A hereto.

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 unleased and leasehold working interest owners with whom Applicant has been unable to secure an agreement for the drilling of the proposed well as described in paragraphs 5 and 6 be pooled involuntarily with respect to the Codell Formation, 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 November, 2009.

Respectfully submitted,

PETRO-CANADA RESOURCES (USA), INC.

By: _____
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VERIFICATION

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

Mari Gillman, of lawful age, being first duly sworn upon oath, deposes and says that she is a Senior Landman for Petro-Canada Resources (USA), Inc. and that she has read the foregoing Application and that the matters therein contained are true to the best of my knowledge, information and belief.

Mari Gillman

Subscribed and sworn to before this ____ day of November, 2009.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL

EXHIBIT A

INTERESTED PARTIES

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