

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

|                                      |   |                  |
|--------------------------------------|---|------------------|
| IN THE MATTER OF THE APPLICATION OF  | ) |                  |
| CHESAPEAKE EXPLORATION, LLC FOR AN   | ) |                  |
| ORDER POOLING ALL NON-CONSENTING     | ) | Cause No. 535    |
| INTERESTS IN THE NIOBRARA            | ) |                  |
| FORMATION IN AN ESTABLISHED          | ) | Docket No. _____ |
| DRILLING AND SPACING UNIT LOCATED IN | ) |                  |
| WELD COUNTY, COLORADO                | ) |                  |

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**APPLICATION**

COMES NOW, Chesapeake Exploration, LLC (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 to pool all non-consenting interests for the drilling of a horizontal Niobrara well in Section 32, Township 10 North, Range 66 West, 6<sup>th</sup> P.M., Weld County, Colorado (hereinafter "Application Lands"). In support of its application, Applicant states and avers 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 Application Lands.
3. That that Application Lands have been established as an approximate 640 acre drilling and spacing unit for the Niobrara Formation under the Commission's Order No. 535-2 dated August 12, 2010. Applicant currently has plans to drill upon such drilling and spacing unit the GMS Land 10-10-66 1H Well (hereinafter the "Well"), a horizontal well designed to test and produce oil and associated hydrocarbons from the Niobrara Formation underlying the Application Lands.
4. At least 30 days prior to hearing on this application, Applicant will have sent to affected owners an appropriate AFE (containing the information required under the Commission's Rule 530.a) detailing the estimated costs of drilling of the Well. Applicant anticipates, however, the possibility that one or more of such owners may refuse to participate in the drilling, testing and completion of the well or otherwise did not respond to Applicant's offer to participate.
5. Moreover, that with respect to any owners of unleased mineral interests in the Application Lands, Applicant also will have made reasonable attempts pursuant to COGCC Rule 530.b. to enter into leases with such Owners but, again, anticipates the possibility it may be unsuccessful in such attempts.
6. In order to prevent waste, protect correlative rights and in the best interests of conservation, all interests of parties entitled to participate in the production from the Well (such parties and their addresses being listed in Exhibit "A") should be pooled as to production from the Niobrara Formation in accordance with C.R.S. § 34-60-116 and Rule 530 of the COGCC.

7. 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 pooling all the interests of all parties with rights to participate in production from the Well sand in particular all working interest owners in the Niobrara Formation who have refused to execute Applicant's AFE and otherwise join in the drilling of the Well and all unleased mineral interest owners who have refused to execute a lease covering their mineral interests in the Application Lands, or, alternatively have refused to participate in the costs of drilling the described well and future wells be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the terms and penalties provided for therein and for such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this \_\_\_\_\_ day of July, 2011.

Respectfully submitted:

Chesapeake Exploration, LLC

By:

\_\_\_\_\_  
William A. Keefe  
Kenneth A. Wonstolen  
Matthew J. Lepore  
Beatty & Wozniak, P.C.  
216 Sixteenth St. –Suite 1100  
Denver, Colorado 80202  
Telephone No.: (303) 407-4475

Applicant's Address:

Chesapeake Exploration, LLC  
ATTN: Nick Watkins  
P. O. Box 18496  
Oklahoma City, OK 73154

## VERIFICATION

STATE OF OKLAHOMA

)

)

SS.

COUNT OF OKLAHOMA

)

Nick Watkins of lawful age, being first duly sworn upon oath, deposes and says that he is District Landman for Chesapeake Exploration, LLC 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.

By:

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Nick Watkins

Subscribed and sworn to before me this \_\_\_\_\_ day of July, 2011.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

Notary Public

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ORDER POOLING ALL NON-CONSENTING  
INTERESTS IN THE NIOBRARA FORMATION  
IN AN ESTABLISHED DRILLING AND  
SPACING UNIT LOCATED IN WELD COUNTY,  
COLORADO

CAUSE NO:

DOCKET NO:

## AFFIDAVIT OF MAILING

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

William A. Keefe, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Chesapeake Exploration, LLC, that on or before July \_\_, 2011, he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

By: William A. Keefe

Subscribed and sworn to before me this \_\_\_\_\_ day of July, 2011.

Witness my hand and official seal.

My commission expires:

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Notary Public

## EXHIBIT A

Chesapeake Exploration, LLC  
P.O. Box 18496  
Oklahoma City, OK 73154-0496

Michael D. Hayes  
3608 Meadowridge Lane  
Midland, TX 79707

Robert C. Burroughs  
P.O. Box 579  
Ault, CO 80610

Quientesa Royalty, LP  
508 W. Wall Street, Ste 500  
Midland, TX 79701

Jack D. Lawrence  
16069 Weld County Rd 102  
Nunn, CO 80648

Rubicon Oil and Gas II, LP  
508 West Wall Avenue, Suite 500  
Midland, TX 79701

Skyline Resources, LLC  
7931 S. Broadway #301  
Littleton, CO 70122

Joseph & Shirley Major  
5032 S. Cooldige St.  
Aurora, CO 80016

DJ Resources, LP  
One Riverway, Suite 1870  
Houston, TX 77056

Prospect Energy, LLC  
5629 FM 1960 Rd W, Suite 354  
Houston, TX 77069

OOGC America, Inc.  
c/o CNOOC International Limited  
P.O. Box 4705  
No. 25 Chaoyangmenbei Dajie  
Dongcheng District  
Beijing, 100010  
P.R. China

Colorado State Board of Land  
Commissioners  
1127 Sherman Street, Suite 300  
Denver, CO 80203

Sandra Wathen  
(possible heir of Joseph & Shirley Major)  
5565 S. Kenton Way  
Englewood, CO 68611