

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

IN THE MATTER OF THE APPLICATION OF
CHESAPEAKE EXPLORATION, LLC FOR AN
ORDER TO AFFIRM ORDER NO. 535-31,
STATUTORILY POOLING THE NIOBRARA
FORMATION IN AN ESTABLISHED DRILLING
AND SPACING UNIT LOCATED IN WELD
COUNTY, COLORADO

CAUSE NO: 535

DOCKET NO:

APPLICATION TO AFFIRM ORDER NO. 535-31 STATUTORILY POOLING IN SECTION 30,
TOWNSHIP 10 NORTH, RANGE 66 WEST, 6TH P.M. UPON CORRECTED NOTICE

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"), to Reaffirm Order No. 535-31 as it applies to unnoticed interests. Order No. 535-31 statutorily pooled certain interests in Section 30, Township 10 North, Range 66 West, 6th 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 on March 17, 2011 Applicant filed an Application for an order to pool all interests for the drilling of a horizontal Niobrara well in the Application Lands ("Pooling Application") in anticipation of drilling the Rouse Farms 30-10-66 1H well.
3. That in accordance with Commission Rules 503.e and 507.b.(2), and § 34-60-108(4), C.R.S. Applicant provided notice to those persons known to Applicant to own any interest in the mineral estate of the Application Lands at least 20 days prior to the Commission hearing on the Pooling Application.
4. That on June 30, 2011, effective June 7, 2011, the Commission entered Order No. 535-31, which, among other things, statutorily pooled certain interest owners in the Application Lands.
5. That, subsequent to filing the Pooling Application and mailing notices thereof to interested parties, Applicant learned of mineral interest owners within the Application Lands to whom notice of the Pooling Application had not been provided by mail or personal service.
6. That all grounds upon which Applicant sought to pool all interest owners in the Application Lands, and upon which Order No. 535-31 was entered, still pertain. Specifically:
 - (a) That the Applicant owns certain leasehold interests in the Application Lands.

(b) That the 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 Rouse Farms 30-10-66 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.

(c) At least 30 days prior to hearing on this application, Applicant will have sent to previously unnoticed working interest 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.

(d) Moreover, that with respect to such previously unnoticed working interest owners, Applicant has or 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.

(e) In order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owners who previously were not given notice (such previously unnoticed interest owners and their addresses being included 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 interest owners in the affected drilling and spacing unit 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 reaffirming Order No. 535-31 as it applies to all the previously unnoticed interest owners as listed in Exhibit A hereto and in particular all such working interest owners, if any, in the Niobrara Formation who have refused to execute Applicant's AFE and otherwise join in the drilling of the Well and all such 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 October, 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: _____
Nick Watkins

Subscribed and sworn to before me this _____ day of October, 2011.

Witness my hand and official seal.

My commission expires: _____

Notary Public

BEFORE THE OIL & 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
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)

Matthew J. Lepore, 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 October 19, 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: Matthew J. Lepore

Subscribed and sworn to before me this _____ day of October, 2011.

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A

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

EOG Resources, Inc.
600 Seventeenth Street
Suite 1000N
Denver, CO 80202

LoneTree Energy & Associates, LLC
141 Union Boulevard, Suite 260
Lakewood, CO 80134

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

Diamond J.R. Farms
15627 WCR 108
Nunn, CO 80648

George G. Vaught, Jr.
P.O. Box 13557
Denver, CO 80120

Eugene F. Costello
6474 Wright Street
Arvada, CO 80004

Paul McCulliss
P.O. Box 3248
Littleton, CO 80161

Tom Chapman and Melinda Prine, JT
(Debra Knudson, Personal Representative
of the estate
of Mary L. Hutchinson, Lessor)
10910 Turner Boulevard #36
Longmont, CO 80504

Eric W. Hart
613 South Second
Fairfield, IA 52556

Daniel A. Hart
3203 Sedgeborough Circle
Katy, TX 77449

Timothy L. Hart
301 Finn Church Lane
McCall, ID 83638

John I. Hart
1801 Deepwoods Drive
Lake Charles, LA 70605

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

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

PREVIOUSLY UNNOTICED INTEREST OWNERS

BLM Colorado State Office
2850 Youngfield Street
Lakewood, CO 80215

Sandra Jo Trujillo
54907 County Road 27
Carr, CO 80612

Colorado Energy Minerals, Inc.
P.O. Box 899
Denver, CO 80201

Jordance Energy, Inc.
1615 California Street, Unit 138
Denver, CO 80202

Marshall & Winston, Inc.
P.O. Box 50880
Midland, TX 79710

McMahon Energy Partners, LP
4545 S. Monaco Street, No. 144
Denver, CO 80237

Tofte Energy Partners, LP
P.O. Box 4221
Casper, WY 82604

Buffalo Royalties, LLC
3 Herman Museum Circle Dr., No. 5312

Houston, TX 77004

Michael D. Hayes
3608 Meadowridge Lane
Midland, TX 79707

Michael D. Hayes and Kathryn A. Hayes,
Co-Trustees of the Hayes Revocable
Trust
3608 Meadowridge Lane
Midland, TX 79707

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

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

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

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

Rouse Farms, Co. LP
15627 WCR 108
Nunn, CO 80648