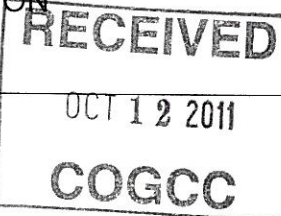


COPY

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



IN THE MATTER OF THE APPLICATION OF )  
WESTERN OPERATING COMPANY INC. FOR )  
AN ORDER POOLING ALL UNLEASED )  
AND/OR NONCONSENTING INTERESTS IN )  
THE MUDDY D SAND AND MUDDY J SAND )  
FORMATIONS IN TWO DESIGNATED )  
WELLBORE SPACING UNITS LOCATED IN )  
THE ADENA FIELD, MORGAN COUNTY, )  
COLORADO )

Cause No. 26

Docket No. \_\_\_\_\_

APPLICATION

COMES NOW Western Operating Company Inc. (referred to herein as "Applicant"), by and through its undersigned attorneys, and makes application to the Colorado Oil and Gas Conservation Commission ("Commission"), for an order to pool all interests within two designated wellbore spacing units for the drilling of two wells to produce from the Muddy D Sand and Muddy J Sand located in Section 25, Township 2 North, Range 58 West, 6<sup>th</sup> P.M., Morgan County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. Applicant is a corporation formed under the laws of the State of Colorado, and is duly authorized to conduct business in the State of Colorado.

2. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. §34-60-116(6) and (7), seeks an order to involuntarily pool all interests not voluntarily pooled (including unleased mineral interests) in the D Sand and J Sand Formations underlying the following described 40 acre wellbore spacing units:

Township 2 North, Range 58 West, 6<sup>th</sup> P.M.  
Section 25: SW $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$   
Morgan County, Colorado

(referred to herein as the "Wellbore Spacing Units")

3. Applicant owns certain leasehold interests in the Wellbore Spacing Units requested for pooling.

4. On March 2, 1954, the Commission issued Order No. 26-2 (amended August 20, 1993), which among other things, established 40-acre drilling and spacing units for the production of oil from the D Sand and J Sand Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 26-1. Order No. 26-1, among other things, established 40-acre drilling and spacing units for the production of oil and associated hydrocarbons from the D Sand and J Sand Formation underlying

certain lands, including the Application Lands, with the drilling and spacing unit to be designated by the operator drilling the first well in the quarter section (or the Director, if the operator fails to designate). The permitted well shall be located in the center of either 40-acre tract within the drilling and spacing unit with a tolerance of 50 feet in any direction.

5. Applicant intends to submit Application for Permit to Drill two wells in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  and SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 25.

6. Exhibit A attached hereto lists leasehold and royalty owners for the Wellbore Spacing Unit together with their addresses. Exhibit A also lists all unleased mineral owners within the Wellbore Spacing Units. As applicable, all unleased mineral owners (not otherwise voluntarily pooled) have been offered the opportunity to participate in the drilling of the Wellbore Spacing Unit Well. To date, however, not all of such owners have elected to participate by agreeing to bear their proportionate shares of the costs and risks of drilling, completing and operating the well. In addition and as applicable, Applicant has made offers to lease each of these unleased mineral owners (not otherwise voluntarily pooled) as required by Commission Rule 530(c) and C.R.S. §34-60-116(7)(d). To date, however, not all of such unleased mineral owners have accepted such offers. Such offers to participate in drilling or to lease were sent to these unleased mineral interest owners more than thirty (30) days prior to the date of the hearing on this Application.

7. Notice of this Application has been provided to those parties listed on Exhibit A attached hereto pursuant to Commission Rule 503(e).

8. Applicant requests that the Order of the Colorado Oil & Gas Conservation Commission be retroactive to the date that costs were first incurred for the wells in the Wellbore Spacing Unit.

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. Pooling involuntarily all of the unleased mineral interest owners listed on Exhibit A with whom Applicant has been unable to secure a lease or an agreement for the drilling of two Wellbore Spacing Unit Wells as described in Section 25, 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. That all interest owners in the Wellbore Spacing Units which are not voluntarily pooled in the Wellbore Spacing Units be involuntarily pooled.

C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 13<sup>th</sup> day of October, 2011.

**BOOKHARDT & O'TOOLE**, Attorneys  
A Law Partnership of Professional Corporations  
Kevin J. O'Toole #17938

By:   
999 Eighteenth Street, Suite 2500  
Denver, Colorado 80202  
Telephone: (303) 294-0204

**ATTORNEYS FOR APPLICANT**

Applicant's Address:  
518 Seventeenth Street  
Suite 200  
Denver, Colorado 80202



VERIFICATION

STATE OF COLORADO    )  
  ) ss.  
City and County of Denver )

Steven D. James, of lawful age, being first duly sworn upon oath, deposes and says that he is Agent and Attorney-in-Fact for Western Operating Company Inc. and that he has read the foregoing Application and that the matters therein contained are true to the best of my knowledge, information and belief.



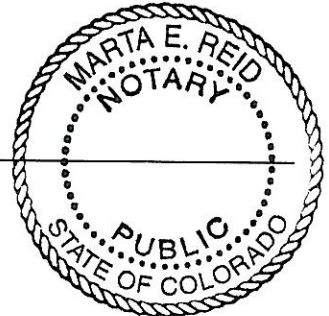
Subscribed and sworn to before me this 12 day of October, 2011.

Witness my hand and official seal.

[SEAL]

My Commission expires: 2/15/2012

  
Notary Public



My Commission Expires 02/15/2012

EXHIBIT A  
Interested Parties

Unleased Mineral Interest Owners

1. John W. Knight, Sr.  
143 N. Maryland Avenue  
Glendale, CA 91206
2. Barnhart Grandchildren's December 1992 Trust  
Paul F. Barnhart, Jr., Trustee  
2121 Sage Road, Suite 333  
Houston, TX 77056
3. Wilford Decker  
13126 Langton Court  
Ft. Myers, FL 33919
4. Phillip Kneip Trust  
Phillip J. Kneip, Trustee  
289 Mesa Drive  
Costa Mesa, CA 92627
5. Burk Royalty  
4245 Kemp Blvd., #600  
Wichita Falls, TX 76308
6. Roger W. Wilson  
1401 C&I Life Building  
Houston, TX 77057
7. Fredricka H. Crain Trust  
c/o Advent Trust Company, Trustee  
8383 Woodway, Suite 800  
Houston, TX 77057
8. T.E. Bear Family Trust  
Sharon TenEyck, Trustee  
P.O. Box 452  
Corona del Mar, CA 92625

## Royalty Owners

1. Glenn Ranch and Cattle Company RLLLP  
6432 County Road 19  
Ft. Morgan, CO 80701
2. Endowment Fund Ft. Morgan Hospital Assoc.  
P.O. Box 442  
Ft. Morgan, CO 80701
3. United Methodist Church of Ft. Morgan  
117 E. Bijou Street  
Ft. Morgan, CO 80701
4. D-M Corporation  
P.O. Box 1196  
Englewood, CO 80150
5. Ralph T. Hull  
909 Fannin Street, Suite 3760  
Houston, TX 77010
6. Carla Hull Northington  
301 E. San Antonio Street  
Boerne, TX 78006
7. Ann Davis Cardwell  
1N078 Mission Court  
Winfield, IL 60190
8. Carlos E. Kepke  
149 Sage Road  
Houston, TX 77056
9. Robert J. Kepke  
11526 Gallant Ridge Lane  
Houston, TX 77082
10. Isabel M. Thompson, Revocable Trust  
Gary L. Christensen, Trustee  
P.O. Box 4713  
Salem, OR 97302
11. J.E. Matter Family Trust  
William W. Matter, Trustee  
2801 Crossland Drive  
Houston, TX 75040

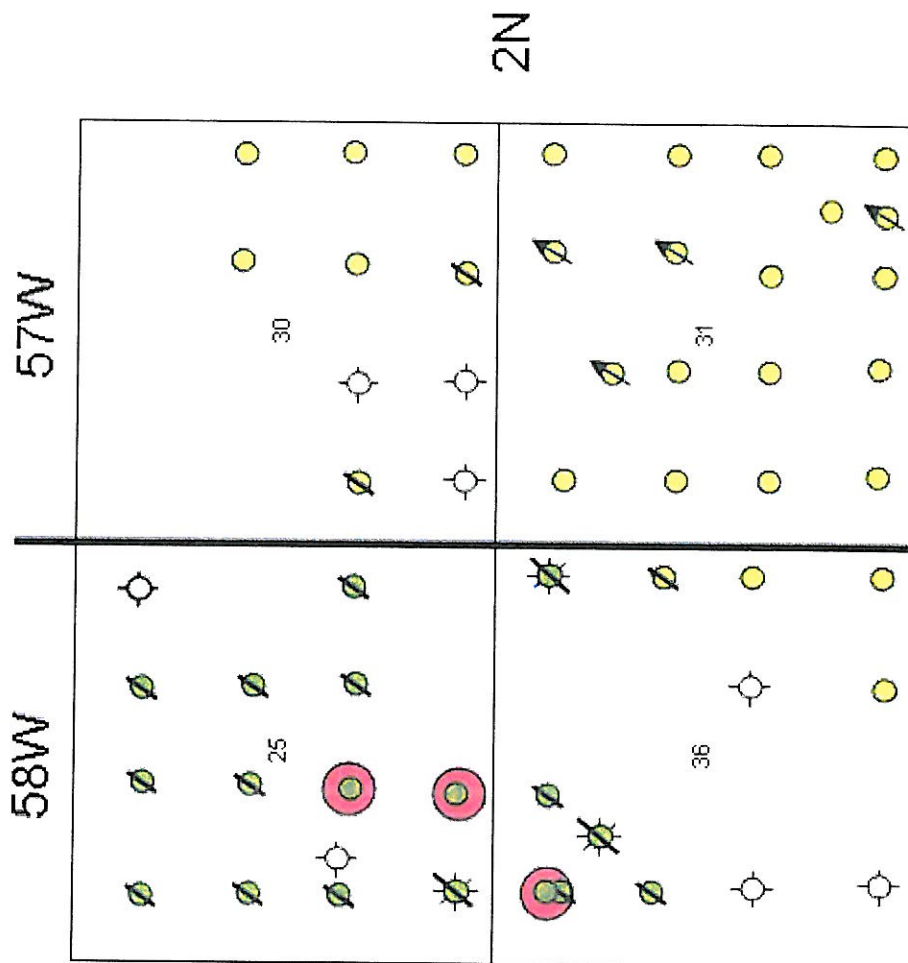
12. Jess H. Kincheloe Living Trust  
11 Nez Pearce Drive  
Cody, WY 82414
13. Dolores Kincheloe  
P.O. Box 574  
St. Francis, KS 67758
14. David Curlee  
9919 Melbourne Place  
Littleton, CO 80130
15. Bruce Curlee  
P.O. Box 1905  
Sterling, CO 80751
16. Michael Curlee  
709 Lark Lane  
Sterling, CO 80751
17. Paul D. Minter  
1864 S. 125th E.  
Wichita, KS 67202
18. Richard J. Severin  
39306 Highway 63  
Akron, CO 80720
19. Bit & Pieces, a partnership  
c/o Susanne F. Laslo  
4355 Purdue Avenue  
Los Angeles, CA 90066
20. Carl & Thelma Vogel  
c/o Patrick Doheny  
136 El Camino  
Beverly Hills, CA 90212
21. Patrick A. Doheny Living Trust  
136 El Camino  
Beverly Hills, CA 90212
22. Timothy M. Doheny, Jr.  
5023 Lido Sands Drive  
Newport Beach, CA 92663

23. Patrick A. Doheny, Jr.  
136 El Camino  
Beverly Hills, CA 90212
24. Kathleen Clark Doheny McCoy  
136 El Camino  
Beverly Hills, CA 90212
25. Drucella Anne Doheny Hamilton  
P.O. Box 134  
Casadero, CA 95421
26. Richard E. Ebener  
P.O. Box 639  
Ruidoso, NM 88355
27. Patricia McNeill Coyne  
30 Charles Hill Circle  
Orinda, CA 94563
28. Mary Jean Oaks  
2610 Lansing Drive  
Albany, GA 31721
29. Josette Kuntz Heirs  
c/o Pam Steib  
29335 County Road 48-1/2  
Iliff, CO 80736

#### Working Interest Owners

1. Western Operating Company Inc.  
518 Seventeenth Street, Suite 200  
Denver, CO 80202
2. Mason Dixon Energy LLC  
101 Cambridge Place  
Bridgeport, WV 26330





## Oil & Gas Activity

Morgan County, CO

## Western Operating Well

- P&A Well
- Open Wellbore
- Injector

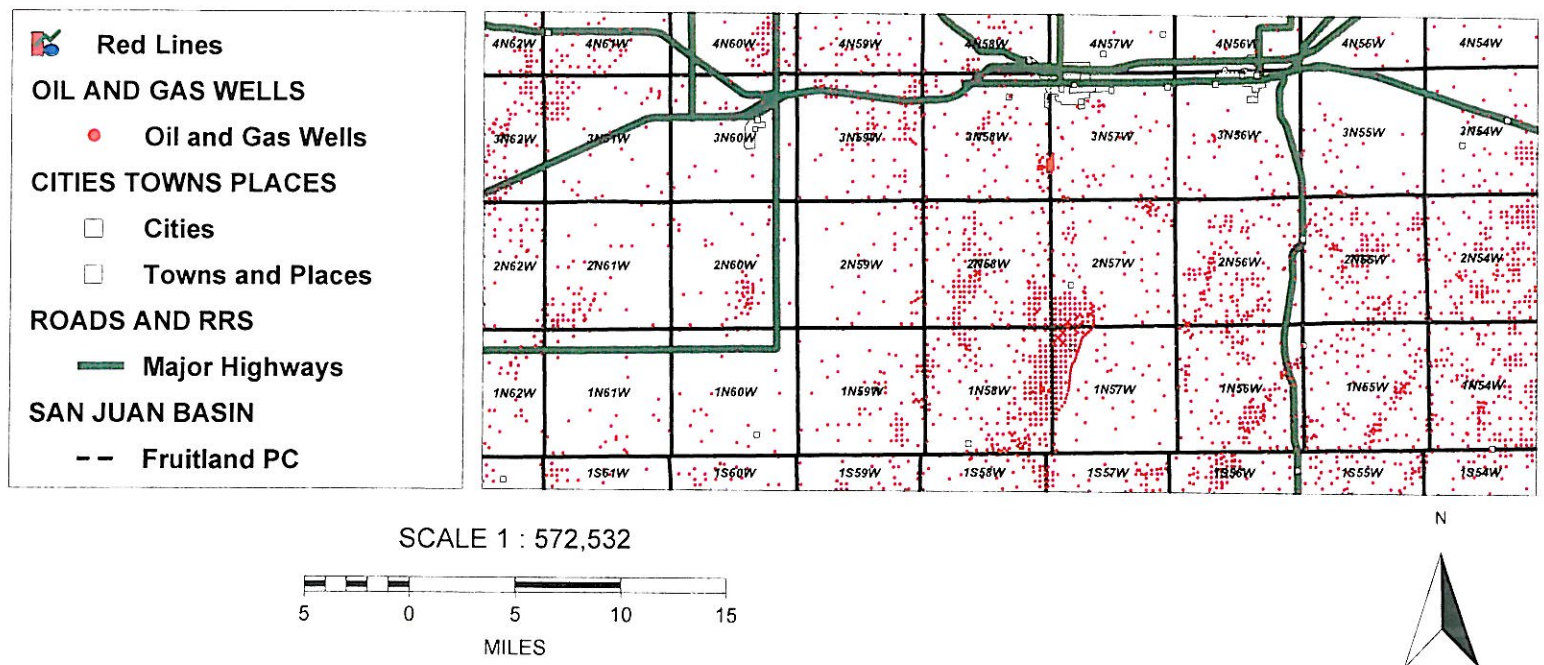
- D sand Producer
- J sand Producer

57W

58W

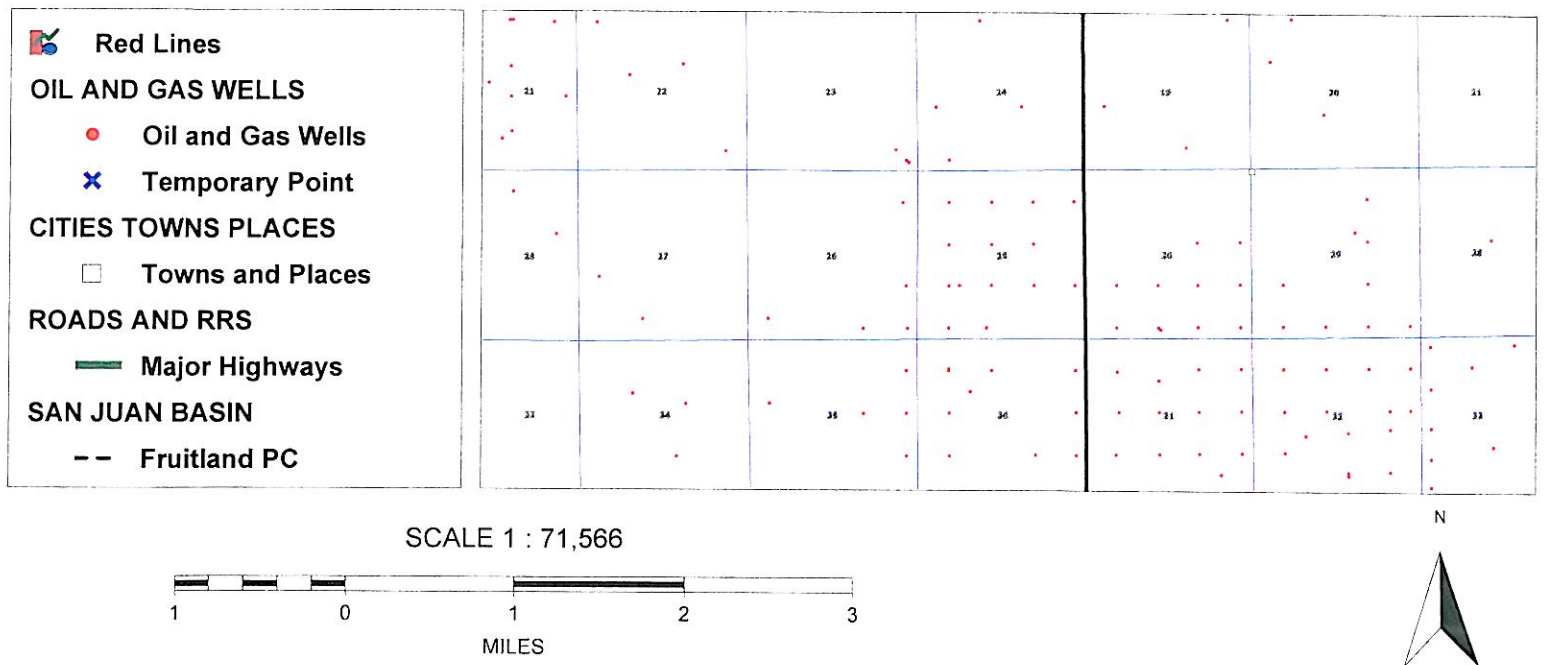


# COGCC GIS Online

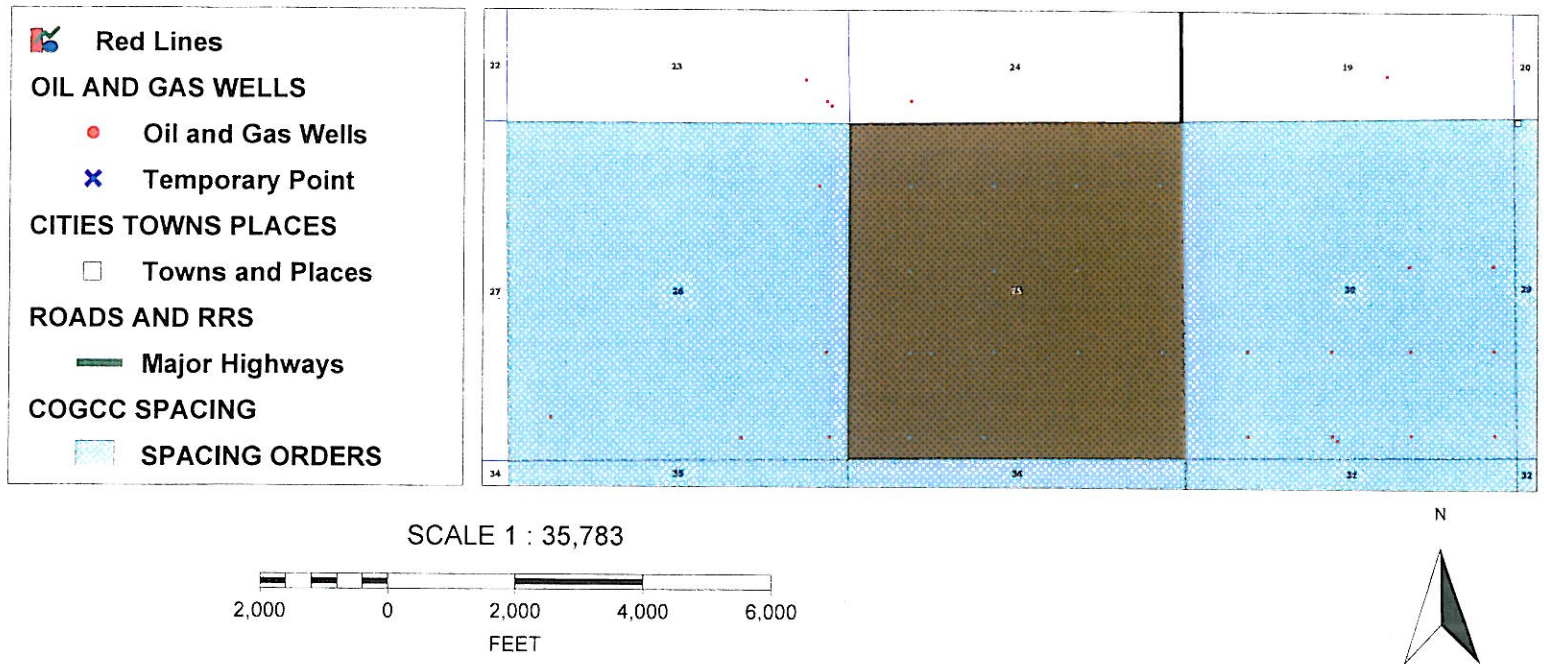




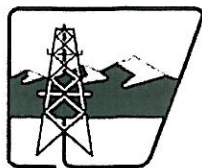
# COGCC GIS Online



# COGCC GIS Online





**Spacing Orders**

Section: 25  
Township: 2N 58W  
Meridian: 6  
Date: 10/11/2011

**Please note:**

Your search results are only a guide and that all Orders affecting lands are not listed below. Therefore, thorough research including reading of history with-in ea

| Cause -<br>Order | Formation<br>Code | Unit<br>Size | Wells Per Unit or<br>Well Density | Section<br>Part |
|------------------|-------------------|--------------|-----------------------------------|-----------------|
| <u>26 - 29</u>   | DJSND             | 160          | 1                                 | ALL-Gas         |
| <u>26 - 29</u>   | DJSND             | 40           | 1                                 | ALL-Oil         |

**Disclaimer:**

Please note that Orders affecting small, site-specific matters may not be mapped. The COGCC encourages thorough research of all Orders in a specific Cause(s)

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COLORADO )

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AFFIDAVIT OF MAILING

[illegible]

Kevin J. O'Toole of lawful age, and being first duly sworn upon his oath, states and declares:

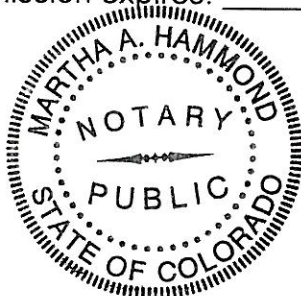
That he is the attorney for Western Operating Company Inc., that on or before October 13, 2011, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Kevin O'Boo

Subscribed and sworn to before me this 12<sup>th</sup> day of October, 2011.

Witness my hand and official seal.

My Commission expires: 5/21/15



Martina A. Hubbard  
Notary Public