

**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  
INTERESTS IN THE NIOBRARA FORMATION  
IN AN ESTABLISHED DRILLING AND  
SPACING UNIT LOCATED IN WELD COUNTY,  
COLORADO

CAUSE NO:

DOCKET NO:

**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 24, Township 9 North, Range 67, 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 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. 535-4 dated February 22, 2011. Applicant currently has plans to drill upon such drilling and spacing unit the Hediger 24-9-67 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 and 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 June, 2011.

Respectfully submitted:

Chesapeake Exploration, LLC

By:

\_\_\_\_\_  
William A. Keefe  
Kenneth A. Wonstolen  
Elizabeth Y. Gallaway  
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 June, 2011.

Witness my hand and official seal.

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

Notary Public

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## 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 June \_\_\_\_, 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 June, 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

Tracy Augustus Eichheim  
2111 Black Canyon Road  
Crawford, CO 81415

Lori Narva  
906 East Dona  
Cheyenne, WY 82009

Margit Hediger Family Trust  
10829 Rist Canyon  
Bellvue, CO 80512

Robert T. Barnes Trust  
105 West 1st Avenue  
Cheyenne, WY 82001

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

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

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

Michael D. Hayes  
3608 Meadowridge Lane  
Midland, TX 79707

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

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

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

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c/o CNOOC International Limited  
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P.R. China