

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

IN THE MATTER OF THE APPLICATION OF )  
ENCANA OIL & GAS (USA) INC. FOR AN )  
ORDER POOLING ALL NON-CONSENTING )  
INTERESTS IN THE CODELL, NIOBRARA )  
AND J-SAND FORMATIONS IN A 160-ACRE )  
WELLBORE SPACING UNIT IN WELD )  
COUNTY, COLORADO. )  
)

Cause No. \_\_\_\_\_

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

APPLICATION

COMES NOW EnCana Oil & Gas (USA) 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 working, unleased, and/or non-consenting interests within a designated 160-acre wellbore spacing unit for production from the Codell, Niobrara and J-Sand Formations with the subject well being located in Section 25, Township 5 North, Range 64 West, 6<sup>th</sup> P.M., Weld County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good-standing with the Commission.
2. Applicant owns certain leasehold interests in the following lands (hereinafter referred to as "Application Lands"):

Township 5 North, Range 64 West, 6<sup>th</sup> P.M.  
Section 25: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Weld County, Colorado (hereinafter "Application Lands").

3. On October 19, 1981, the Commission issued Order No. 232-23, which among other things, amended order 232-20 to establish additional 320-acre drilling and spacing units and allow a second well to be drilled for the production of gas and associated hydrocarbons from the J-Sand Formation, for certain lands, including Application Lands.

4. On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Order No. 407-1 (amended on March 29, 2000 in accordance with Order No. 407-17, entered November 18, 1985), among other things, established 80-acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons from the Codell 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 200 feet in any direction. The operator shall

have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit.

5. On April 4, 2011, the Commission issued Order No. 407-392, which among other things, established an approximate 160-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Codell, Niobrara, and J-Sand Formations underlying certain lands, including the Application Lands.

6. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, established drilling windows and 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. The Application Lands are subject to the foregoing Orders and Rule 318A. Pursuant to Rule 318A.j., Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells.

7. Applicant designated a 160-acre Wellbore Spacing Unit, as described below, for the production of oil, gas, and associated hydrocarbons from the J-Sand, Codell, and Niobrara, Formations pursuant to Rule 318A.e. and notified the appropriate parties under Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed Wellbore Spacing Unit within the 20-day response period, and, as such, certifies to the Commission that it did not receive any objections to the well location, proposed spacing unit, or proposed formations.

8. 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 working interests) in the Codell, Niobrara and J-Sand Formations underlying the following designated 160-acre wellbore spacing unit:

Township 5 North, Range 64 West, 6<sup>th</sup> P.M.  
Section 25: E $\frac{1}{2}$ NE $\frac{1}{4}$

Township 5 North, Range 63 West, 6<sup>th</sup> P.M.  
Section 30: W $\frac{1}{2}$ NW $\frac{1}{4}$

Weld County, Colorado (hereinafter "Wellbore Spacing Unit").

9. Applicant proposes to directionally drill the Kuner 8-2-25 ("Well") within the designated Wellbore Spacing Unit. The surface location of the Well shall be in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 25, Township 5 North, Range 64 West. The bottomhole location is located 1,300' FNL and 50' FEL of Section 25, Township 5 North, Range 64 West. A Well Location Certificate for the Well is attached hereto.

10. Applicant holds an approved Application for Permit to Drill for the Well.

11. Exhibit A attached hereto lists working interest owners for the 160-acre Wellbore Spacing Unit together with their addresses. All working interest owners (not otherwise voluntarily

pooled) have been offered the opportunity to voluntarily participate in the drilling of the Well. To date, however, not all of such working interest owners have elected to participate by agreeing to bear their respective proportionate shares of the costs and risks of drilling, completing and operating the Well. An Authority for Expenditure ("AFE") containing the information respecting this Well, required by Commission Rule 530.b., was sent to each working interest owner more than thirty (30) days prior to the date of the hearing on this application.

12. Applicant requests that the Commission's involuntary pooling order, and all costs associated with the Well and this involuntary pooling, issued with respect to this Application be retroactive to the earliest date costs are incurred for the Well as allowed by C.R.S. § 34-60-116(7), or the date of this Application, whichever is earlier.

13. Notice of this Application has been provided to those parties listed on Exhibit A attached 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. Pooling involuntarily all of the working interest owners listed on Exhibit A with whom Applicant has been unable to secure an agreement for the drilling of the Kuner 8-2-25 Well as described in Paragraph 9 and ordering that such working interest 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. Finding that all interest owners in the 160-acre Wellbore Spacing Unit on the Application Lands which are not voluntarily pooled be involuntarily pooled.

C. Establishing that that the Commission's involuntary pooling order, and all costs associated with the Kuner 8-2-25 Well and this involuntary pooling, issued with respect to this Application shall be retroactive to the earliest date costs are incurred for the Well as allowed by C.R.S. § 34-60-116(7), or the date of this Application, whichever is earlier.

D. Providing 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,

ENCANA OIL & GAS (USA) INC.

By:\_\_\_\_\_

Jamie L. Jost  
Elizabeth Y. Gallaway  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16<sup>th</sup> Street, Suite 1100  
Denver, Colorado 80202  
(303) 407-4499

Applicant's Address:  
370 17th Street, Suite 1700  
Denver, Colorado 80202

VERIFICATION

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

Ricardo D. Gallegos, of lawful age, being first duly sworn upon oath, deposes and says that he is Attorney-in-Fact for Encana Oil & Gas (USA) Inc. 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.

\_\_\_\_\_  
Title: \_\_\_\_\_

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

Witness my hand and official seal.

[SEAL]

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

\_\_\_\_\_  
Notary Public

**EXHIBIT A**  
**Interested Parties**

Note: Non-consenting is denoted by "NC".

**Working Interest Owners**  
**(Codell Niobrara)**

Encana Oil & Gas (USA) Inc.  
370 17th Street, Suite 1700  
Denver, Colorado 80202

Noble Energy Inc.  
1625 Broadway, Suite 2200  
Denver, CO 80202

Crews & Zeren (NC)  
PO Box 336337  
Greeley, Colorado 80633

P.H & S Investment Corp. (NC)  
1800 S. Washington, Ste. 300  
Amarillo, Texas 79102

John R. Rupp, deceased (NC)  
15014 NW Aberdeen Drive  
Portland, Oregon 97229

Billie D. Rupp (NC)  
15014 NW Aberdeen Drive  
Portland, Oregon 97229

Valley Urology (NC)  
Medical Park Professional Bldg.  
II, #201  
Wheeling, WV 26003

Sagar Nootheti, M.D. (NC)  
1 Staple Ford Hall Court  
Potomac, MD 20854

Robert C. Morie (NC)  
7545 St. Charles Rock Road  
St. Louis, Mo 63133

Donald J. Morie  
100 High Valley  
Chesterfield, Mo 63017

John W. Kennard (NC)  
5 Orchard Road  
Wheeling, WV 26003

Carson W. Bryan (NC)  
Road #1, Box 117  
Dallas, WV 26036

P. Joseph Baker (NC)  
Road #4, Box 178A  
Wheeling, WV 26003

Charles C. Truax (NC)  
1783 Arroyo Vista Way  
Eldorado Hills, CA 95603

Barbara M. Truax (NC)  
1783 Arroyo Vista Way  
Eldorado Hills, CA 95603

Eugene F. Girard (NC)  
C/O 1701 W. Charleston, No. 203  
Las Vegas, NV 89102

Mary T. Girard (NC)  
C/O 1701 W. Charleston, No. 203  
Las Vegas, NV 89102

Aravind Dipali (NC)  
3408 Balsan Drive  
Westlake, OH 44145

Nathan Dale (NC)  
1800 Lakewood Court, Space 30  
Eugene, OR 97402

Irene Dale (NC)  
1800 Lakewood Court, Space 30  
Eugene, OR 97402

Cameron Packaging, Inc. (NC)  
P.O. Box 117, Lima  
Lima, OH 45802

James E. Behrens, Esq. (NC)  
1010 Engineers Blvd.  
Cleveland, OH 44114

Gary H. Heacock (NC)  
511 East Street South  
Talladega, AL 35160

Bill L. Pierce (NC)  
1543 Parkline Drive  
Pittsburgh, PA 15227

Kathryn C. Wall (NC)  
3103 Indian Rock Road  
Matthews, NC 28105

Rao Panduranga Lingham (NC)  
2211 Glenmere Road  
Columbus, OH 43220

Norma J. Clark (NC)  
512 Yokum Street  
Elkins, WV 26241

Darwin Walls 1420 NW Gilman  
(NC)  
Blvd., Ste 2148  
Issaquah, WA 98027

John A. Bellotte (NC)  
136 Carriage Court  
Bridgeport, WV 26330

Elizabeth Bellotte (NC)  
136 Carriage Court  
Bridgeport, WV 26330

Joseph Noronha, M.D. (NC)  
55 Barron Ave.  
Elkins, WV 26241

John N. Hodges (NC)  
Rt. 3, Box 307-A  
Buckhannon, WV 26201

Sheila J. Hodges (NC)  
Rt. 3, Box 307-A  
Buckhannon, WV 26201

June D. Bland (NC)  
PO Box 726  
Fort Ashby, WV 26719

Carol A. Bland (NC)  
PO Box 726  
Fort Ashby, WV 26719

Richard G. Devos (NC)  
367 Lake Forest Drive  
Bay Village, OH 44140

Bernieta H. Devos (NC)  
367 Lake Forest Drive  
Bay Village, OH 44140

John B. Goodenough (NC)  
300 Wildberry Road  
Pittsburgh, PA 15238

Judith B. Goodenough (NC)  
300 Wildberry Road  
Pittsburgh, PA 15238

David Marcantonio (NC)  
470 West End Ave., Apt. 1  
North Plainfield, NJ 07060

Cynthis Maracantonio (NC)  
470 West End Ave., Apt. 1  
North Plainfield, NJ 07060

John H. McWhorter  
(elected to go non-consent)  
848 Snyder Run  
Horner, WV 26372

Gelene McWhorter (NC)  
848 Snyder Run  
Horner, WV 26372

Edward J. Bauman (NC)  
604 Green Valley Road, Ste. 303  
Greensboro, NC 27410

Robert D. Nolan (NC)  
3471 Fifth Ave.  
Pittsburgh, PA 15213

Stanley G. Savransky (NC)  
944 Savannah Ave.  
Pittsburgh, PA 15221

Nicholas G. Tomasic (NC)  
313 Castle Drive  
West Mifflin, PA 15122

Joanne Tomasic (NC)  
313 Castle Drive  
West Mifflin, PA 15122

Carl A. Wheeler (NC)  
125 Skyline View  
Ripley, WV 25271

Patricia K. Wheeler (NC)  
125 Skyline View  
Ripley, WV 25271

Frances A. Appleman (NC)  
268 Taraq Drive  
Pittsburgh, PA 15236

Frederick P. Baker (NC)  
1250 Berryman Ave.  
Bethel Park, PA 15102

Beth C. Baker (NC)  
1250 Berryman Ave.  
Bethel Park, PA 15102

Savarut S. Fung M.D. (NC)  
537 Empire Bank Bldg.  
Clarksburg, WV 26301

Franco's All Naturel, Inc. (NC)  
2650 Penn Ave.  
Pittsburgh, PA 15237

Charles H. Haas (NC)  
12770 Farmington Road  
Livonia, MI 48150

Norbert J. Haas (NC)  
1551 King Charles Drive  
Pittsburgh, PA 15237

David W. McConnell (NC)  
174 Fireside Drive  
McMurray, PA 15317

Cheryl A. McConnell (NC)  
174 Fireside Drive  
McMurray, PA 15317

Peter J. Nudi (NC)  
9515 Goehring Road  
Evans City, PA 16033

Kathleen E. Nudi (NC)  
9515 Goehring Road  
Evans City, PA 16033

Danny A. Rader, M. D. (NC)  
United Methodist Hospital  
Clarksburg, WV 26301

Sepsi-Alborn-Rholand Pension  
Plan (NC)  
301 Union Station Bldg.  
Brownsville, PA 155417

Earl A. Rice, Jr. (NC)  
659 W. Main Street  
Emmitsburg, MD 21727

Richard B. Stewart (NC)  
23 Parker Court  
Florham Park, NJ 07932

H. Allen White (NC)  
25 Duncan Lane  
Skillman, NJ 08558

Michael L. Fox (NC)  
Rt. 3, Box 32R  
Guymon, OK 73942

Richard Reed Childress  
(elected to go non-consent)  
PO Box 398  
Welcome, NC 27374

Don E. McKinley (NC)  
7751 Carondelet Ave, Ste 603  
St. Louis, MO 63105

Ralph N. Brawley (NC)  
Coach Craft, Rt. 5, Box 1000 W.  
Park Ave.  
Mooresville, NC 28115

Melissa C. Brawley (NC)  
Coach Craft, Rt. 5, Box 1000 W.  
Park Ave.  
Mooresville, NC 28115

John M. Crouch, Jr. (NC)  
604 Green Valley Road, Ste. 303  
Greensboro, NC 27410

Richard A. Crumrine (NC)  
4124 Towers Road  
St. Charles, MO 63303

Stephen L. Googe (NC)  
PO Box 444  
Welcome, NC 27374

Timothy A. Lambeth (NC)  
2824 Farming Road  
Greensboro, NC 27410

Gary W. Marshall (NC)  
PO Box 540  
Bermuda Run, NC 27006

Jeannie Marshall (NC)  
PO Box 540  
Bermuda Run, NC 27006

Mackey J. McDonald (NC)  
5 Aspen Court  
Greensboro, NC 27408

H. Varnell Moore (NC)  
212 Manchester Place  
Greensboro, NC 27410

Kirk Shelmerdine (NC)  
PO Box 1198, Industrial Drive  
Welcome, NC 27374

Connie Shelmerdine (NC)  
PO Box 1198, Industrial Drive  
Welcome, NC 27374

Kenneth E. Tutterow (NC)  
604 Green Valley Road, Ste. 303  
Greensboro, NC 27410

Joe W. Waters (NC)  
Rt. 5, Box 627  
Piny Ridge Road  
Foprest City, NC 28043

Terry L. Weatherford (NC)  
3906 Sagamore Road  
Greensboro, NC 27410

Joe Ann Weatherford (NC)  
3906 Sagamore Road  
Greensboro, NC 27410

Ernest F. Goodshall, Jr. (NC)  
278 Lakeshore Road North  
Denver, NC 28037

#### **Working Interest Owners (J)**

Encana Oil & Gas (USA) Inc.  
370 17<sup>th</sup> Street, Ste. 1700  
Denver, Colorado 80202

Noble Energy Inc.  
1625 Broadway, Ste 2000  
Denver, Colorado 80202

Tower Energy Corp. (NC)  
1050 17<sup>th</sup> Street, Ste. 2400  
Denver, Colorado 80265

#### **Landowner Royalty Interest**

Colorado Land Services, LLC  
1051-D West Highway 34  
Loveland, Colorado 80537

Petroleum Exploration  
Management, LLC  
20203 Highway 60  
Platteville, Colorado 80651

N & R Investments  
Address unknown.

Francis Royalties, LLC  
1701 61<sup>st</sup> Avenue  
Greeley, Colorado 80634

Harold E. Rice  
2021 7<sup>th</sup> Avenue  
Greeley, Colorado 80631

James Rice, Trustee of the  
Family Trust u/w/o  
1878 24<sup>th</sup> Street  
Greeley, Colorado 80631

William E. Rice  
Address unknown.

Marilyn R. Hunt  
30 Waterside Plaza, Apt. 24-J  
New York, New York 10010

The John D. Stephenson Family  
Trust  
1357 43<sup>rd</sup> Avenue #27  
Greeley, Colorado 80634

James D. Klein  
24330 Highway 34  
Greeley, Colorado 80631

Kathleen L. Berryman  
P.O. Box 525  
Kersey, Colorado 80644

William T. Kline  
27974 CR 53  
Kersey, Colorado 80644

Ramon V. Klein, Trustee of  
Ramon V. Klein Revocable Trust  
1913 Westbrook Circle  
Hutchinson, Kansas 67502

Western Sugar Company  
600 17<sup>th</sup> Street, Ste. 800 N  
Denver, Colorado 80202

Cannon Resources, Inc.  
Address unknown.



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AFFIDAVIT OF MAILING

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

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Encana Oil and Gas (USA) Inc., that on or before June \_\_\_\_, 2011, she 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.

\_\_\_\_\_  
Jamie L. Jost

Subscribed and sworn to before me on \_\_\_\_\_, 2011.

Witness my hand and official seal.

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

\_\_\_\_\_  
Notary Public