

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

IN THE MATTER OF THE APPLICATION OF)
GREAT WESTERN OIL AND GAS COMPANY)
LLC FOR AN ORDER ESTABLISHING A)
SPACING UNIT AND POOLING CERTAIN)
INTERESTS FOR THE PRODUCTION OF OIL)
AND GAS FROM THE J SAND, CODELL AND)
NIOBRARA FORMATIONS UNDERLYING)
CERTAIN LANDS IN WELD COUNTY, CO)

CAUSE NO. 407 and 232

DOCKET NO. _____

APPLICATION

The Applicant, Great Western Oil and Gas Company, LLC ("Great Western"), by and through its undersigned counsel, respectfully petitions the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing an 80-acre spacing unit for production from the J Sand, Codell and Niobrara formations, and pooling all interests therein as follows:

BACKGROUND

1. Great Western is a limited liability company duly authorized to conduct business in the State of Colorado.
2. Great Western owns an oil and gas leasehold interest in the W1/2NW1/4 of Section 31 Township 7 North, Range 65 West, 6th P.M., Weld County, Colorado ("Section 31" hereinafter).
3. According to the records of the Commission, no wells have been drilled in the W1/2NW1/4 of Section 31.
4. Great Western has applied for permits for and/or desires to drill the Gustafson 31-11 well in the NW1/4NW1/4 and the Gustafson #31-12 well in the SW1/4NW1/4 of Section 31 to the J Sand, Codell and/or Niobrara formations.

SPACING REQUEST

5. On information and belief, the Commission has not entered an order establishing drilling and spacing units for production of oil and gas from the J Sand, Codell and Niobrara formations underlying the NW1/4 of Section 31.
6. In its application to drill the Gustafson #31-11 well, Great Western has declared the W1/2NW1/4 as a drilling unit for Codell and Niobrara production.
7. Colorado Revised Statute Section 34-60-116(4) authorizes the Commission to establish drilling and spacing units in order to prevent or assist in preventing waste, avoid the drilling of unnecessary wells, and/or protect correlative rights.

8. Commission Rule 318A provides that a well may be drilled and production commingled from formations, including the J Sand, Codell and Niobrara/or formations, when the bottom-hole location of such well is within a square with sides of 400 feet, in the center of each quarter section of the NW1/4 of Section 31.

9. Previous testimony before the Commission has therefore established that an 80-acre drilling and spacing unit is not less than the maximum area than can be efficiently, economically and effectively drained by wells producing oil, gas and associated hydrocarbons from the J Sand, Codell and/or Niobrara formations underlying said NW1/4 of Section 31.

10. Great Western requests that the Commission establish an 80-acre drilling and spacing unit consisting of the W1/2NW1/4 of Section 31, for the J Sand, Codell and Niobrara formations.

11. The establishment of such a unit will prevent or assist in preventing waste by assuring that wells in the W1/2NW1/4 may be completed and produced without prejudice to the rights of other leasehold or mineral owners, and ensuring that the pool as a whole may be efficiently and economically developed.

12. The establishment of such a unit will protect the correlative rights of both leasehold owners and mineral owners in the W1/2NW1/4 of Section 31.

INVOLUNTARY POOLING REQUEST

13. Colorado Revised Statute Section 34-60-116 authorizes the Commission to pool separately owned interests located within a drilling unit, for the development and operation of a well.

14. The proposed unit contains numerous residential lots within the Arrowhead and North Side Subdivisions of the Town of Eaton. Great Western has sent a proposed lease to, and attempted to negotiate an oil and gas lease with, the unleased mineral owners listed on **Exhibit A** to this Application, covering their unleased oil and gas rights in the W1/2NW1/4. The terms of the leases offered are reasonable and no less favorable than those prevailing in the area at this time

15. Great Western has also sent a proposed AFE to such unleased mineral owners, giving them the opportunity to participate in the drilling of the proposed wells.

16. As of the date of this Application such unleased mineral owners have failed to agree to lease their interests in the W1/2NW1/4, or to bear their share of the costs of drilling and completing the proposed wells.

17. An Order of the Commission pooling all interests in the W1/2NW1/4 is necessary in order to afford each owner of an interest therein the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the W1/2NW1/4 of Section 31.

18. The granting of such an Order would not be prejudicial to the owners in the W1/2NW1/4 of Section 31 and would protect correlative rights.

19. The granting of such an Order would prevent or assist in preventing waste and will insure that the pool as a whole may be efficiently and economically developed.

REQUEST FOR HEARING AND ORDER

WHEREFORE, Great Western prays that this matter be set for hearing on November 29 or 30, 2010, Notice of said Hearing be given as required by law, if no protests are timely received the matter be considered pursuant to Rule 511(b), and the Commission enter an Order:

A. Establishing an 80-acre drilling and spacing unit consisting of the W1/2NW1/4 of Section 31 for production of oil and gas from the J Sand, Codell and Niobrara formations; and

B. Pooling all non-consenting interests in the W1/2NW1/4 of Section 31 with respect to production of the J Sand, Codell and/or Niobrara formations, and that such pooling order:

(1) be upon terms and conditions that are just and reasonable and that afford to the owner of each tract or interest in the W1/2NW1/4 the opportunity to recover or receive, without unnecessary expense, his just and equitable share of oil and gas;

(2) provide that production obtained from the W1/2NW1/4 be allocated to each owner therein on the basis of the proportion that the number of mineral acres held by each owner in such drilling unit bears to the total number of mineral acres within the drilling unit;

(3) provide that Great Western be allowed to recover from any non-consenting owner's share of production the penalty costs as provided in Colorado Revised Statute Section 34-60-116 (7); and

(4) require Great Western to provide each leasehold interest owner in said W1/2NW1/4 with monthly statement of costs incurred together with the quantity of oil and gas produced and proceeds realized, pursuant to C.R.S. §34-60-116(8).

RESPECTFULLY SUBMITTED this 7th day of October, 2010.

**LOHF SHAIMAN JACOBS HYMAN
& FEIGER, P.C.**

By: _____
J. Michael Morgan

Great Western=s Address:
1700 Broadway, Suite 1170
Denver, CO 80290

EXHIBIT "A"
TO
APPLICATION OF GREAT WESTERN OIL AND GAS COMPANY LLC

Interested Parties in the W½NW¼ of Section 31, Township 7 North, Range 65 West

Applicant: Great Western Oil and Gas Company, LLC
1700 Broadway, Suite 650
Denver, CO 80290

Applicant's Attorney: J. Michael Morgan, Esq.
Lohf Shaiman Jacobs Hyman & Feiger PC
950 South Cherry Street, Suite 900
Denver, CO 80246

Local Government Designee: Bruce T. Barker, Esq.
Weld County Commissioner Office
P.O. Box 758
Greeley, CO 80634

Leased Mineral Owners: David William Gustafson and June E. Gustafson
36800 WCR 37
Eaton, CO 80615

Steven G. Bagley, David A. Bagley & Thomas A.
Bagley, c/o Gail Bagley & Florence Bagley
530 Cheyenne Ave.
Eaton, CO 80615

Jose Roberto Carcamo and Gabriela Carcamo
16538 E. Ballentine Pl.
Covina, CA 91722-3344

Roxanne Jean Cook
526 Maple Ave.
Eaton, CO 80615

Janet L. Ewing
329 Hackberry Ct.
Eaton, CO 80615-9072

Bernice Groves
419 5th Street
Eaton, CO 80615

Leased Mineral Owners (continued):

Roger G. Holmes & Janice L. Holmes
670 Maple Ave.
Eaton, CO 80615

Georgia Hambrick Inloes
620 Maple Ave.
Eaton, CO 80615

JMB Land, LLC
19168 CR 76
Eaton, CO 80615

Don R. Sherrill & Linda B. Sherrill
635 Maple Avenue
Eaton, CO 80615

Valerie Hinchee
4305 Perth Court
North Fort Meyers, FL 33903

Franklin M. Johnson &
Patricia J. McDonald
630 Maple Avenue
Eaton, CO 80615

Reba S. Siegrist
655 Cheyenne Ave.
Eaton, CO 80615

Steven R. Brant
318 6th Street
Eaton, CO 80615

Ducker Joint Trust
608 Maple Avenue
Eaton, CO 80615

Randolph L. & Debra K. Curtis
621 Cheyenne Avenue
Eaton, CO 80615

Penelope R. & Ricky L. Gregory
631 Maple Avenue
Eaton, CO 80625

Faith Lutheran Church of Eaton
P.O. Box 788
Eaton, CO 80615

Gilliland Trust
1082 Bruce Creek Road
P.O. Box 3303
Eagle, CO 81631

Orlando F. Carpio
P.O. Box 273246
Fort Collins, CO 80527

Betty L. Gray
317 6th Street
Eaton, CO 80615

Tony & Georgia A. Gutierrez
614 Maple Avenue
Eaton, CO 80615

Harvey H. Hager
635 Cheyenne Avenue
Eaton, CO 80615

Alden C. & Victoria J. Johnson
625 Maple Avenue
Eaton, CO 80615

JMB Land, LLC
19168 County Rd. 76
Eaton, CO 80615

Charles B. & Rose Hadsall
520 Maple Avenue
Eaton, CO 80615-3455

Kevin D. Jantz
604 Maple Avenue
Eaton, CO 80615

Patricia J. Knepper
525 Maple Avenue
Eaton, CO 80615-3456

Judith A. Williams
524 Maple Avenue
Eaton, CO 80615

Glenn Marshall
603 Cheyenne Avenue
Eaton, CO 80615

John E. Yates, Jr.
602 Maple Avenue
Eaton, CO 80615

Joseph R. Mitchell
517 Maple Avenue
Eaton, CO 80615

Floyd A. Tyson and Leslie A. Leppla
705 Cheyenne Avenue
Eaton, CO 80615

James R. and Marlene A. Seery
615 Maple Avenue
Eaton, CO 80615

Armando and Ruby Nira
135 7th Street
Eaton, CO 80615

Joan M. Milne
18457 HWY 392
P.O. Box 22
Lucerne, CO 80646

Helen J. Willis
609 Cheyenne Avenue
Eaton, CO 80615

Robert M. Martinez & Roberta Sanchez
525 Cheyenne Avenue
Eaton, CO 80615-3473

Gladys M. Kummer
675 Cheyenne Avenue
Eaton, CO 80615

Michael D. and Connie M. Ruff
509 Cheyenne Avenue
Eaton, CO 80615

Eva J. and Joe S. Lopez
645 Maple Avenue
Eaton, CO 80615

A. M. Brown
600 Oak Avenue
Eaton, CO 80615

Edward & Misty Villarreal
655 Maple Avenue
Eaton, CO 80615

Rose Harvey
519 Cheyenne Avenue
Eaton, CO 80615

Randie & Leanna Lanning
P.O. Box 685
Eaton, CO 80615-0685

Charles Leroy & Evelyn Jane Wilkins
2120 N. Overland Trail
Fort Collins, CO 80521

Algirdas M. Liepas, PC
419 Canyon, Suite 215
Fort Collins, CO 80521

Cindy L. Lapp
530 Maple Avenue
Eaton, CO 80615

Cheryl L. & Richard I. Mawson, III; &
Carol A. Smith
515 Cheyenne Avenue
Eaton, CO 80615

Jonathan Lee and Ashleigh Declet
512 Maple Avenue
Eaton, CO 80615

Ronald D. & Jane E. Orr
601 Maple Avenue
Eaton, CO 80615

Gladys Ann Domesla
665 Cheyenne Avenue
Eaton, CO 8061

Unleased Mineral Owners:

Robert W. & Phyllis E. Bauman
615 Cheyenne Avenue
Eaton, CO 80615

Michael A. & Carla D. Chesterman
311 6th Street
Eaton, CO 80615

EDM Corp.
P.O. Box 189
Severance, CO 80546-0189

Kelley Family Properties
5775 Seldovia Road
Fort Collins, CO 80524

Manuel Jr. & Cecelia A. Naranjo
513 Maple Avenue
Eaton, CO 80615

Michael L. Schelm
525 Walnut Street, #16
Idaho Falls, ID 83402

Marilee Schulz
2227 S. 122 Avenue
Omaha, NE 68144-2825

Trend Properties, LLC
P.O. Box 40
Timnath, CO 80547

Gerald Ward Douglas
125 7th Street
Eaton, CO 80615

Leasehold Owners:

Canamex, LLC
1700 Broadway, Suite 650
Denver, CO 80290

Great Western Oil and Gas Company, LLC
1700 Broadway, Suite 650
Denver, CO 80290

CERTIFICATE OF MAILING

I hereby certify that on the 7th day of October, 2010, a true and correct copy of the foregoing was mailed via U.S. First-Class Mail, postage prepaid, to the following:

Roger G. Holmes & Janice L. Holmes
670 Maple Ave.
Eaton, CO 80615

Penelope R. & Ricky L. Gregory
631 Maple Avenue
Eaton, CO 80625

Georgia Hambrick Inloes
620 Maple Ave.
Eaton, CO 80615

Faith Lutheran Church of Eaton
P.O. Box 788
Eaton, CO 80615

JMB Land, LLC
19168 CR 76
Eaton, CO 80615

Gilliland Trust
1082 Bruce Creek Road
P.O. Box 3303
Eagle, CO 81631

Don R. Sherrill & Linda B. Sherrill
635 Maple Avenue
Eaton, CO 80615

Orlando F. Carpio
P.O. Box 273246
Fort Collins, CO 80527

Valerie Hinchee
4305 Perth Court
North Fort Meyers, FL 33903

Betty L. Gray
317 6th Street
Eaton, CO 80615

Franklin M. Johnson &
Patricia J. McDonald
630 Maple Avenue
Eaton, CO 80615

Tony & Georgia A. Gutierrez
614 Maple Avenue
Eaton, CO 80615

Reba S. Siegrist
655 Cheyenne Ave.
Eaton, CO 80615

Harvey H. Hager
635 Cheyenne Avenue
Eaton, CO 80615

Steven R. Brant
318 6th Street
Eaton, CO 80615

Alden C. & Victoria J. Johnson
625 Maple Avenue
Eaton, CO 80615

Ducker Joint Trust
608 Maple Avenue
Eaton, CO 80615

JMB Land, LLC
19168 County Rd. 76
Eaton, CO 80615

Randolph L. & Debra K. Curtis
621 Cheyenne Avenue
Eaton, CO 80615

Charles B. & Rose Hadsall
520 Maple Avenue
Eaton, CO 80615-3455

Kevin D. Jantz
604 Maple Avenue
Eaton, CO 80615

Patricia J. Knepper
525 Maple Avenue
Eaton, CO 80615-3456

Judith A. Williams
524 Maple Avenue
Eaton, CO 80615

Glenn Marshall
603 Cheyenne Avenue
Eaton, CO 80615

John E. Yates, Jr.
602 Maple Avenue
Eaton, CO 80615

Joseph R. Mitchell
517 Maple Avenue
Eaton, CO 80615

Floyd A. Tyson and Leslie A. Leppla
705 Cheyenne Avenue
Eaton, CO 80615

James R. and Marlene A. Seery
615 Maple Avenue
Eaton, CO 80615

Armando and Ruby Nira
135 7th Street
Eaton, CO 80615

Joan M. Milne
18457 HWY 392
P.O. Box 22
Lucerne, CO 80646

Helen J. Willis
609 Cheyenne Avenue
Eaton, CO 80615

Robert M. Martinez & Roberta Sanchez
525 Cheyenne Avenue
Eaton, CO 80615-3473

Gladys M. Kummer
675 Cheyenne Avenue
Eaton, CO 80615

Michael D. and Connie M. Ruff
509 Cheyenne Avenue
Eaton, CO 80615

Eva J. and Joe S. Lopez
645 Maple Avenue
Eaton, CO 80615

A. M. Brown
600 Oak Avenue
Eaton, CO 80615

Edward & Misty Villarreal
655 Maple Avenue
Eaton, CO 80615

Rose Harvey
519 Cheyenne Avenue
Eaton, CO 80615

Randie & Leanna Lanning
P.O. Box 685
Eaton, CO 80615-0685

Charles Leroy & Evelyn Jane Wilkins
2120 N. Overland Trail
Fort Collins, CO 80521

Algirdas M. Liepas, PC
419 Canyon, Suite 215
Fort Collins, CO 80521

Cindy L. Lapp
530 Maple Avenue
Eaton, CO 80615

Cheryl L. & Richard I. Mawson, III; &
Carol A. Smith
515 Cheyenne Avenue
Eaton, CO 80615

Jonathan Lee and Ashleigh Declet
512 Maple Avenue
Eaton, CO 80615

Ronald D. & Jane E. Orr
601 Maple Avenue
Eaton, CO 80615

Gladys Ann Domesla
665 Cheyenne Avenue
Eaton, CO 8061

Great Western Oil & Gas Co, LLC
1700 Broadway, Suite 650
Denver, CO 80290

Bruce T. Barker, Esq.
Weld County Commissioner Office
P.O. Box 758
Greeley, CO 80634

David William Gustafson and
June E. Gustafson
36800 WCR 37
Eaton, CO 80615

Steven G. Bagley, David A. Bagley &
Thomas A. Bagley, c/o Gail Bagley &
Florence Bagley
530 Cheyenne Avenue
Eaton, CO 80615

Jose Roberto Carcamo and
Gabriela Carcamo
16538 E. Ballentine Place
Covina, CA 91722-3344

Roxanne Jean Cook
526 Maple Avenue
Eaton, CO 80615

Janet L. Ewing
329 Hackberry Court
Eaton, CO 80615-9072

Bernice Groves
419 5th Street
Eaton, CO 80615

Robert W. & Phyllis E. Bauman
615 Cheyenne Avenue
Eaton, CO 80615

Michael A. & Carla D. Chesterman
311 6th Street
Eaton, CO 80615

EDM Corp.
P.O. Box 189
Severance, CO 80546-0189

Kelley Family Properties
5775 Seldovia Road
Fort Collins, CO 80524

Manuel Jr. & Cecelia A. Naranjo
513 Maple Avenue
Eaton, CO 80615

Michael L. Schelm
525 Walnut Street, #16
Idaho Falls, ID 83402

Marilee Schulz
2227 S. 122 Avenue
Omaha, NE 68144-2825

Trend Properties, LLC
P.O. Box 40
Timnath, CO 80547

Gerald Ward Douglas
125 7th Street
Eaton, CO 80615

Canamex, LLC
1700 Broadway, Suite 650
Denver, CO 80290

Tonja L. Hoisington, Paralegal