

**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 ESTABLISHING ONE DRILLING AND	)	Cause No. _____
SPACING UNIT FOR THE NIOBRARA	)	
FORMATION IN WELD COUNTY,	)	Docket No. _____
COLORADO	)	

**APPLICATION**

Chesapeake Exploration, LLC ("Applicant"), by and through its undersigned attorneys, submits this Application to the Colorado Oil and Gas Conservation Commission ("Commission") for an order establishing one 640-acre drilling unit well development of the Niobrara Formation in the following land located within the Greater Wattenberg Area ("GWA"):

Township 7 North, Range 62 West  
Section 20: All

("Application Lands").

Applicant further requests that it be allowed to drill up to two (2) horizontal wells in the proposed drilling unit, with the second well in the unit at its option.

In support of its Application, Applicant states and alleges as follows:

1. Applicant is a company duly authorized to conduct business in Colorado, and has registered as an operator with the Commission.
2. Applicant owns substantial leasehold interests in the Application Lands.
3. The Application Lands are unspaced with respect to the Niobrara Formation and are subject to Rule 318A, which, among other things, established drilling windows 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.
4. Applicant requests the right to drill up to two horizontal wells in the Niobrara Formation in the drilling unit to be established pursuant to this Application, with the treated interval of the wellbore(s) to be no closer than 460 feet from the boundaries of the unit (regardless of lease lines within the unit). The surface location for such well(s) shall be within a GWA drilling window, and shall be subject to the twinning requirements of Rule 318A.c unless surface owner approval for a different location is obtained.
5. That in order to promote efficient drainage of the Niobrara Formation underlying the application lands, to prevent waste, and to protect correlative rights, the Commission should establish the drilling units as requested herein and allow the drilling of up to two horizontal wells in each said unit. Drilling units of the specified size and configuration are not smaller than the maximum area that can be economically and efficiently drained by the authorized wells.

6. That according to the information and belief of the Applicant, the names and addresses of the interested parties hereto are set forth in Exhibit A; and the undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in January, 2012, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's petition as set forth above.

Dated this \_\_\_\_ day of November, 2011.

By: \_\_\_\_\_  
William A. Keefe  
Kenneth A. Wonstolen  
Elizabeth Gallaway  
Beatty & Wozniak, P.C.  
216 Sixteenth Street-Suite 1100  
Denver, CO 80202-5115

Address of Applicant  
Chesapeake Exploration, LLC  
ATTN: Nick Watkins  
6100 N. Western Avenue  
Oklahoma City, OK 73118

**VERIFICATION**

STATE OF OKLAHOMA                    )  
  )     ss.  
OKLAHOMA COUNTY                    )

Nick Watkins, of lawful age, being first duly sworn upon oath, deposes and says that he is District Landman for Chesapeake Exploration, LLC, that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

\_\_\_\_\_  
Nick Watkins, District Landman

Subscribed and sworn to before me this \_\_\_\_ day of November, 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

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

Noble Energy  
1625 Broadway, Suite 2000  
Denver, CO 80202

Kent Kuster  
Colorado Department of Public  
Health and Environment  
4300 Cherry Creek Drive South  
Denver, CO 80246-1530

Kim Kaal  
Energy Liaison  
Colorado Division of Wildlife  
711 Independent Ave.  
Grand Junction, CO 81505

David Bauer  
Weld County  
1111 H Street  
Greeley, CO 80632

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**AFFIDAVIT OF MAILING**

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

Kenneth Wonstolen, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Chesapeake Exploration, LLC and that on or before November \_\_\_\_, 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.

\_\_\_\_\_  
Kenneth Wonstolen

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

Witness my hand and official seal.

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

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