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

IN THE MATTER OF THE APPLICATION FOR AN ORDER POOLING ALL INTERESTS IN THE NIOBRARA FORMATION IN A 640-ACRE DRILLING AND SPACING UNIT IN WELD COUNTY, COLORADO

APPLICATION

COMES NOW Continental Resources, Inc. ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests for the development of the Niobrara Formation on the following described lands:

Township 7 North, Range 62 West, 6th P.M. Section 10: All

Weld County, Colorado

(hereinafter "Application Lands").

In support of its application, 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 leasehold interests in a substantial portion of the Application Lands.
- 3. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, 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. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. The Application Lands are subject to this Rule for the Niobrara Formation.
- 4. On August 8, 2011 the Commission entered Order No. 535-51, which among other things, established 640-acre drilling and spacing units for certain lands, including the Application Lands, and authorized one horizontal well in each unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 5. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests in the Application Lands for the development of the Niobrara Formation, including any nonconsenting interests therein.
- 6. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b)(II) were first incurred for the drilling of the Perrin 1-10H well to the Niobrara Formation on the Application Lands.
- 7. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as

required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not otherwise leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the well, and will be provided with the information required by Rule 530. The list of such interested parties is attached hereto as <u>Exhibit A.</u>

8. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Niobrara Formation, including any nonconsenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

- A. Pooling all interests in the Application Lands for the development of the Niobrara Formation, including any future wells drilled to said formation.
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b)(II) were first incurred for the drilling of the Perrin 1-10H well to the Niobrara Formation on the Application Lands.
- C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

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, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: November, 2011	Respectfully submitted:
	Continental Resources, Inc.
	By:

William A. Keefe Kenneth A. Wonstolen Elizabeth Y. Gallaway **Beatty & Wozniak, P.C.** 216 Sixteenth St. –Suite 1100 Denver, Colorado 80202

Applicant's Address:

Continental Resources, Inc. ATTN: Michael Schooley 302 N. Independence Enid, OK 73702

VERIFICATION

STATE OF OKLAHOMA)
) ss. COUNTY OF GARFIELD)
Michael D. Schooley, of lawful age, being first duly sworn upon oath, deposes and says that he is Emerging Plays Landman for Continental Resources, 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.
Michael D. Schooley
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 PO Box 18496 Oklahoma City, OK 73154-0496

Mabel E. Baxter c/o Vance W. Baxter & Diana L. Baxter 227 Milton Street Briggsdale, CO 80611

Vance W. Baxter and Diana L. Baxter 227 Milton Street Briggsdale, CO 80611

Edgar Freemyer c/o James E. Freemyer 1575 Race Street Denver, CO 80206

Marathon Oil Company 5555 San Felipe Houston, TX 77056

Wesley H. Barker Albion Hotel Greeley, CO 80631

James E. Freemyer 1575 Race Street Denver, CO 80206

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

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

IN THE MATTER OF THE APPLICATION FOR AN CAUSE NO. ORDER POOLING ALL INTERESTS IN THE NIOBRARA FORMATION IN A 640-ACRE DRILLING AND SPACING | DOCKET NO. UNIT IN WELD COUNTY, COLORADO **AFFIDAVIT OF MAILING** STATE OF COLORADO)ss. CITY AND COUNTY OF DENVER ElizabethY. Gallaway, of lawful age, and being first duly sworn upon her oath, states and declares: That she is the attorney for Continental Resources, Inc., and that on or before November , 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. Elizabeth Y. Gallaway Subscribed and sworn to before me November _____, 2011. Witness my hand and official seal. My commission expires: .

Notary Public