

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

IN THE MATTER OF AN APPLICATION FOR	)	
THE PROMULGATION AND	)	
ESTABLISHMENT OF FIELD RULES TO	)	Cause Nos. 407 & 535
GOVERN OPERATIONS IN AN UNNAMED	)	
FIELD, WELD COUNTY, COLORADO	)	Docket No.
	)	

**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 approving the drilling of an exploratory horizontal well in the Greenhorn Formation underlying a 640-acre drilling unit approved at the Commission's hearing on December 12, 2011. Said drilling unit was approved for horizontal well development of the Niobrara Formation in Docket No. 1112-SP-158, and is comprised of the following lands within the Greater Wattenberg Area ("GWA"):

Township 3 North, Range 61 West, 6th P.M.  
Section 14: All

Weld County, Colorado

("Application Lands").

Applicant requests either a new order or an amendment to the order issued in Docket No. 1112-SP-158 for this purpose, at the Commission's discretion.

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 Greenhorn 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 Formations from the base of the Dakota Formation to the surface.
4. Based on recent drilling results and new geologic interpretation, Applicant requests the right to drill an exploratory horizontal well in the Greenhorn Formation underlying the drilling unit established pursuant to the referenced docket, with the treated interval of the wellbore 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 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. In order to allow for exploration of the Greenhorn Formation, to promote efficient drainage of thereof, to prevent waste, and to protect correlative rights, the Commission should authorize the drilling of an exploratory horizontal well in the Greenhorn Formation underlying the drilling unit comprised of the Application Lands. A drilling unit of the specified size and configuration is not smaller than the maximum area that is expected to be economically and efficiently drained by the authorized well.

6. 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 March 2012, 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 9th day of January, 2012.

**BEATTY & WOZNIAK, P.C.**

By: \_\_\_\_\_  
Kenneth A. Wonstolen  
Elizabeth Y. Gallaway  
216 Sixteenth Street, Suite 1100  
Denver, Colorado 80202-5155

Applicant's Address:  
Chesapeake Exploration, LLC  
ATTN: Nick Watkins  
P.O. 18496  
Oklahoma City, OK 73154

**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 October, 2011.

Witness my hand and official seal.

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

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

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

Beta Land Services, LLC  
P.O. Box 51241  
Lafayette, LA 70505

Chesapeake Exploration, LLC  
P.O. Box 18496  
Oklahoma City, OK 73154-0496

Charles Kent Kingsbury  
19704 CR 87  
Orchard, CO 80649

B&J Resources, LLC  
410 17th St #1150  
Denver, CO 80202

Jackfork Land, Inc  
3503 NW 63rd Suite 103  
Oklahoma City, OK 73116

Continental Resources, Inc  
302 N Independence Ave  
Enid, OK 73701

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

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

IN THE MATTER OF THE APPLICATION OF	)	
CHESAPEAKE EXPLORATION, LLC FOR AN	)	
ORDER ESTABLISHING 65 DRILLING AND	)	Cause No. _____
SPACING UNITS FOR THE NIOBRARA	)	
FORMATION IN WELD COUNTY,	)	Docket No. _____
COLORADO	)	

**AFFIDAVIT OF MAILING**

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

Kenneth A. Wonstlolen, 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 January 13, 2012, 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 A. Wonstlolen

Subscribed and sworn to before me January 9, 2012.

Witness my hand and official seal.

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

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