

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

IN THE MATTER OF THE APPLICATION OF)	
MULL DRILLING COMPANY, INC. FOR AN)	
ORDER VACATING EXISTING SPACING)	Cause No. _____
ORDERS FOR CERTAIN LANDS IN THE)	
CALVARY FIELD AND BRANDON FIELD IN)	Docket No. _____
KIOWA COUNTY, COLORADO)	

APPLICATION

Mull Drilling Company, Inc. ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to vacate Commission Orders 188-21 and 213-10 for the Mississippian Formation and in lieu thereof apply the statewide setbacks set forth in Commission Rule 318.a. and in support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation authorized to conduct business in the State of Colorado.

2. Applicant owns leasehold interests in Kiowa County, Colorado, specifically within the area requested to vacate the existing Commission Orders and apply the statewide setbacks set forth in Commission Rule 318.a. to the lands described below located in either the Brandon Field or the Calvary Field:

Brandon Field:

Township 18 South, Range 45 West, 6th P.M.

Section 32: ALL

Section 33: W $\frac{1}{2}$, SE $\frac{1}{4}$

Calvary Field:

Township 18 South, Range 45 West, 6th P.M.

Section 26: W $\frac{1}{2}$

Section 27: ALL

Section 28: ALL

Section 33: NE $\frac{1}{4}$

Section 34: NW $\frac{1}{4}$

These lands are hereinafter referred to as the "Application Lands." A reference map is attached hereto.

3. BRANDON FIELD: On November 25, 1997, the Commission issued Order No. 188-21 which stated Section 32: ALL and Section 33: SE $\frac{1}{4}$, W $\frac{1}{2}$ were subject to Order No. 188-20. Order No. 188-20 amended Order No 188-1 to allow the drilling of one (1) additional well on each 80-acre drilling and spacing unit for certain lands for the production of oil and associated hydrocarbons from the Mississippian Formation, with the permitted well to be located in the center of the undrilled 40-acre tract with a tolerance of 150 feet in any direction, provided that the Director be authorized to grant exceptions to well locations provided owners of the contiguous and cornering tracts toward which the exception well location is proposed to be moved file a waiver or consent in writing to said exception. Section 32: ALL and Section 33: W $\frac{1}{2}$, SE $\frac{1}{4}$, Township 18 South, Range 45 West of the Application Lands are subject to Order Nos. 188-20 and 188-21.

4. CALVARY FIELD: On January 19, 1994, the Commission issued Order No. 213-10 which confirmed that Section 26: ALL, Section 27: ALL, Section 28: ALL, Section 33: ALL, Section 34: ALL, Township 18 South, Range 45 West, 6th P.M. remained subject to the provisions of Cause No. 213 which, in Order No. 213-1, established 80-acre drilling and spacing units for the production of oil from the Mississippian Formations with such units consisting of the E $\frac{1}{2}$ and W $\frac{1}{2}$ of each quarter section with the permitted well located in the center of the NE $\frac{1}{4}$ and SW $\frac{1}{4}$ of each quarter section, with a tolerance of 150 feet in any direction to avoid surface hazards. Order No. 213-10 also confirmed that certain wells on Section 26, Township 18 South, Range 45 West, 6th P.M. remained under the provisions of Cause No. 213. Sections 26: W $\frac{1}{2}$, Section 27: ALL, Section 28: ALL, Section 33: NE $\frac{1}{4}$, and Section 34: NW $\frac{1}{4}$ are subject to Order No. 213-10.

5. Based on engineering, geophysical, and leasehold ownership reasons, Application requests that the Commission vacate the existing spacing on the Application Lands, as described in Paragraphs 3 and 4 above, in both the Calvary Field and the Brandon Field and apply the statewide setbacks of Commission Rule 318.a. to the Application Lands.

6. Applicant has drilled and completed producing vertical wells on the Application Lands as of the date this Application is filed. Applicant confirms that the vacation of the existing spacing on the Application Lands shall not affect the allocation of proceeds attributable to the existing producing vertical wells.

7. Applicant asserts the re-establishment of the statewide setbacks set forth in Commission Rule 318.a. on the Application Lands is in the best interests of conservation, including accurate production accounting and efficient operation of the wells, is necessary to prevent waste, protect correlative rights and to assure the greatest recovery of gas and associated hydrocarbons from the Mississippian formation all in accordance with the Colorado statutes and the Commission rules.

8. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto

and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.e.

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

A. Vacating the existing spacing on the Application Lands, as described in Paragraphs 3 and 4 above, in both the Calvary Field and the Brandon Field and apply the statewide setbacks of Commission Rule 318.a. to the Application Lands.

B. Confirming that the vacation of the existing 80-acre drilling and spacing units for the Application Lands shall not affect the allocation of proceeds attributable to the existing producing vertical wells.

C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

Dated this ____ day of February, 2012.

Respectfully submitted:

MULL DRILLING COMPANY, INC.

By:

Jamie L. Jost
Elizabeth Y. Gallaway
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202

Applicant's Address:
Mull Drilling Company, Inc.
ATTN: Mark Shreve
1700 Waterfront Pkwy, Bldg 1200
Wichita, Kansas 67206-6637

VERIFICATION

STATE OF KANSAS)
) ss.
COUNTY OF _____)

Mark Shreve, President/COO, with Mull Drilling Company, Inc. upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

MULL DRILLING COMPANY, INC.

Mark Shreve
President/COO

Subscribed and sworn to before me this _____ day of February, 2012, by Mark Shreve,
President/COO, with Mull Drilling Company, Inc.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

INTERESTED PARTIES

Mull Drilling Company, Inc.
1700 Waterfront Pkwy, Bldg. 1200
Wichita, KS 67206-6637

Colorado Department of Public Health and Energy
Attn: Kent Kuster
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

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

Debra C. Lening
Kiowa County
1305 Goff St., P.O. Box 37
Eads, Colorado 81306

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AFFIDAVIT OF MAILING

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

Elizabeth Y. Gallaway, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is an attorney for Mull Drilling Company, Inc., that on or before February __, 2012, 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 February __, 2012.

Witness my hand and official seal.

My commission expires: _____.

Notary Public