

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

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|-------------------------------------|---|----------------------------------|
| IN THE MATTER OF THE PROMULGATION |) | CAUSE NO. 407 |
| AND ESTABLISHMENT OF FIELD RULES TO |) | |
| GOVERN OPERATIONS IN THE WATTENBERG |) | DOCKET NO. <i>To be assigned</i> |
| FIELD, WELD COUNTY, COLORADO |) | |

APPLICATION

Apollo Operating, LLC (“Apollo” or “Applicant”), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order to pool all interests in the approximate 160-acre wellbore spacing unit designated for the NW¼ of Section 9, Township 3 North, Range 68 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. In support of the Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 3 North, Range 68 West, 6th P.M.
Section 9: NW¼

These lands are hereinafter referred to as the “Application Lands.”

3. On December 19, 1983, the Commission issued Order No. 407-1 (amended on March 29, 2000 in accordance with Order No. 407-17, entered November 18, 1985), which, among other things, established 80-acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons from the Codell Formation underlying certain lands, including the Application Lands, with the drilling and spacing unit to be designated by the operator drilling the first well in the quarter section (or the Director, if the operator fails to designate). The permitted well shall be located in the center of either 40-acre tract within the drilling and spacing unit with a tolerance of 200 feet in any direction. The operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit.

4. On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which, among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

5. 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 Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended to, among other things, 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 Codell and Niobrara Formations.

6. Applicant hereby requests a Commission order pooling all interests in a designated approximate 160-acre wellbore spacing unit for the below-listed lands to accommodate the E.L. Minch #25-9 Well (the "Well"), API #05-123-33642, with a planned bottomhole location of 1,387 feet FNL and 1,392 feet FWL in Section 9, Township 3 North, Range 68 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations, retroactive to the earliest date costs are incurred for the Well as allowed by §34-60-116(7), C.R.S., or the date of the Application, whichever is earlier:

Township 3 North, Range 68 West, 6th P.M.
Section 9: NW¹/₄

7. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests in the Application Lands, for the development and operation of the Codell and Niobrara Formations.

8. Applicant requests the pooling order entered as a result of this Application be made effective as of the date of this Application, or the date that the costs specified in §34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the Well, whichever is earlier.

9. Applicant hereby certifies that, at least thirty (30) days prior to the Commission hearing on this matter, each interest owner, not already leased or voluntarily pooled, was tendered a reasonable offer to lease or participate and bear costs associated with the drilling and completion of the Well as required by Rule 530., and either refused or failed to consent.

10. The granting of this application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

11. That the names and addresses of the interested parties (those persons who own any interest in the mineral estate of the tracts to be pooled, except owners of an overriding royalty interest) 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 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. Pooling all interests in the Application Lands, for the development and operation of the Codell and Niobrara Formations.

B. Providing that pooling order is made effective as of the date of the Application, or the date that the costs specified in §34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the Well, whichever is earlier.

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 the premises.

Dated this _____ day of February, 2012.

Respectfully submitted,

APOLLO OPERATING, LLC

By: _____

Robert A. Willis (Colorado Bar No. 26308)
Katharine E. Fisher (Colorado Bar No. 39230)
Burleson LLP
Wells Fargo Center
1700 Lincoln Street, Suite 3950
Denver, CO 80290
(303) 801-3200

Applicant's Address:
1538 Wazee St., Suite 200
Denver, CO 80202

VERIFICATION

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

Jesse White, Manager for Apollo Operating, LLC, 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.

APOLLO OPERATING, LLC

Jesse White, Manager

Subscribed and sworn to before me this _____ day of February, 2012, by Jesse White,
Manager for Apollo Operating, LLC.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

INTERESTED PARTIES

The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in this Exhibit A.

Apollo Operating, LLC
1538 Wazee St., Suite 200
Denver, CO 80202

Robert A. Willis
Burleson LLP
1700 Lincoln St., Suite 3950
Denver, CO 80290

1670 WCR Investors, LLC
403 Karsh Drive
Longmont, CO 80501

Edward L. Minch
P.O. Box 235
Mead, CO 80542

Highlandlake Church, Inc.
717 W. Fifth Avenue
Longmont, CO 80501

Kelly D. and Brenda M. Hockaday
2063 WCR 34 ½
Mead, CO 80542

John R. Haley
14491 CR 5
Longmont, CO 80504

Bryan S. and Yavette S. Brooks
16668 WCR 5
Mead, CO 80542

Michael A. and Kathryn M. Litzenberger
14661 County Road 5
Longmont, CO 80504

Blair L. and Ruthe E. Magaziner
16924 WCR 5
Mead, CO 80542

Highland Lake Reservoir Company
c/o George L. Vonalt and Leonard C.
Litzenberger
16084 Weld County Road #5
Platteville, CO 80651

Top Operating Company
10881 Asbury Ave, Ste 230
Lakewood, CO 80227

Jeff L. and Pauli A. Smith
16778 CR 5
Mead, CO 80542

Jane E. Sprouse
16920 CR 5
Mead, CO 80542

Courtney Stout
16930 CR 5
Mead, CO 80542

Philip Daniel Holland
P.O. Box 596
Mead, CO 80542

Mary E. Jensen
717 Fifth Avenue
Longmont, CO 80501

Murray J. Herring, Ltd.
10881 Asbury Ave, Ste 230
Lakewood, CO 80227

Noble Energy, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202

James M. Martin
Route 1, Box 321
943 T Ave
Council Grove, KS 66846-8777

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

Emily M. Nelson

My commission expires: _____.

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