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

IN THE MATTER OF THE APPLICATION FOR AN CAUSE NO. ORDER ESTABLISHING FIELD RULES FOR DEVELOPMENT OF THE NIOBRARA FORMATION, UNNAMED FIELDS, MOFFAT COUNTY, COLORADO

#### **APPLICATION**

COMES NOW Quicksilver 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 for an order to 1) establish a drilling unit for the drilling for a horizontal well, and one or more verticals, in the Niobrara Formation underlying the following described lands:

Township 6 North, Range 92 West, 6<sup>th</sup> P.M. Section 1: E½

Moffat County, Colorado ("Application Lands");

and 2) pool all interests for the development of the Niobrara Formation in the proposed approximate three hundred twenty (320) acre drilling unit comprising the Application Lands.

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

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
- 2. Applicant owns leasehold interests in the Niobrara Formation underlying the Application Lands. A reference map of the Application Lands is attached as Exhibit A.
- 3. The Application Lands are unspaced as to the Niobrara Formation and are subject to the Commission's Rule 318.a. which provides that wells 2,500 feet or deeper shall be located not less than six hundred (600) feet from any lease line and not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.
- 4. Applicant requests the right to drill a horizontal well in the Niobrara Formation, and one or more vertical wells, in the drilling unit to be established pursuant to this Application, with the treated interval of the wellbore(s) to be no closer than 600 feet from the boundaries of the unit (regardless of lease lines within the unit).
- 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 unit as requested herein and allow the drilling of a horizontal well, and one or more vertical wells, in said unit. The specified size and configuration of the requested drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the authorized well(s).

- 6. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, also seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in the drilling unit comprising Application Lands requested herein for the development of the Niobrara Formation.
- 7. 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 the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the initial well to the Niobrara Formation on the Application Lands.
- 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.
- 9. 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 already 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 Exhibit B.
- 10. Applicant also certifies that the names and addresses of the interested parties, according to the information and belief of the Applicant, are set forth in <u>Exhibit B</u> attached hereto, and that notice and a copy of this application will be served on such parties within seven days of the filing hereof, pursuant to Rule 503.e.

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

Dated this 10th day of May, 2012.

BEATTY & WOZNIAK, P.C.

Bv.

Kenneth A. Wonstelen Elizabeth Gallaway Beatty & Wozniak, P.C.

216 Sixteenth Street-Suite 1100

Denver, CO 80202-5115

Applicant's address:
Quicksilver Resources, Inc.
ATTN: Oscar Duarte
801 Cherry Street
Suite 3700, Unit 19
Fort Worth, TX 76102

### **VERIFICATION**

STATE OF TEXAS	)
COUNTY OF TARRANT	) SS.
he is Senior Landman for Quicksilve	ge, being first duly sworn upon oath, deposes and says that or Resources, Inc. and that he has read the foregoing rein contained are true to the best of his knowledge,
	Oscar Duarte
Subscribed and sworn to b	pefore me this/ day of May, 2012.
Witness my hand and offic	ial seal.
My commission expires:	3.13.2013
MIMI ELAINE KEENOM My Commission Expires March 13, 2013	Muccolando Notary Public

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#### Exhibit B

Kenneth A. Carlson 9720 Digging Road Montgomery Village, MD 20886

William D. Carlson 4104 Edwards Mountain Drive Austin, TX 78731

Robert J. Carlson 1450 NW 186th Street Shoreline, WA 98177

US AgBank, FCB Attn: Patricia Graham 245 N. Waco St. Wichita, KS 67202

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Edith M. McClintic 4743 East Summer Haven Dr. Phoenix, AZ 85044

Mary Silver 565 Taylor St. Craig, CO 81625

J. Howard Mills P.O. Box 51195 Phoenix, AZ 85076

Donna Allan McKay 2979 Pinon Ave. Grand Junction, CO 81501

Leigh K. Flack 5121 East 17th St. Casper, WY 82609

Jason Leeper et ux 5535 Memorial Dr. Houston, TX 77007

Janie F. Nelson 1631 Brentwood Dr. Casper, WY 82604 Lynn Smith c/o Jim & Ann Stubblefield 15389 Audrain Rd. 821 Mexico, MO 65265

Lee Badaracco c/o Jim & Ann Stubblefield 15390 Audrain Rd. 821 Mexico, MO 65265

Ann B Stubblefield c/o Jim & Ann Stubblefield 15391 Audrain Rd. 821 Mexico, MO 65265

James A Badaracco c/o Jim & Ann Stubblefield 15392 Audrain Rd. 821 Mexico, MO 65265

Petro-Hunt, LLC Attn: Casey Hunt 1601 Elm St., Suite 3400 Dallas, TX 75201

Randy J. Hunter P.O. Box 1631 Craig, CO 81626

Jeremy B. Durkee P.O. Box 481 Craig, CO 81626

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

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

Jeff Comstock Moffat County 221 W Victor Way, Suite 130 Craig, CO 81625

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AFFIDAVIT OF MAILIN	G
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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 the attorney for Quicksilver Resources, Inc., and that on or before May \_\_\_, 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 B to the Application.

Elizabeth Y. Gallaway

Subscribed and sworn to before me May<u>10</u>, 2012.

Witness my hand and official seal.

My\_commission expires: 10-04-13\_.

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**Notary Public** 

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IN THE MATTER OF THE APPLICATION FOR AN CAUSE NO. ORDER ESTABLISHING FIELD RULES FOR DEVELOPMENT OF THE NIOBRARA FORMATION, UNNAMED FIELDS, MOFFAT COUNTY, COLORADO

#### SUPPLEMENTAL 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 the attorney for Quicksilver Resources, Inc. and that on or before May 18, 2012, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the following additional interested parties:

SWEPI LP Attn: Jane Harris P.O. Box 576 Houston, TX 77001

Enriqueta Allen, widow of William J. Allen 2880 S. Locust St, Ste S-201 Denver, CO 80222-7130

Elizabeth Y. Gallaway

Subscribed and sworn to before me on May 18, 2012.

Witness my hand and official seal.

My comparesion exp

0-04-13

Notary Public