

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

IN THE MATTER OF THE APPLICATION OF)	
GREAT WESTERN OIL AND GAS COMPANY,)	
LLC FOR AN ORDER POOLING)	Cause No.
NONCONSENTING INTERESTS IN THE CODELL)	
AND NIOBRARA FORMATIONS IN THE)	Docket No.
GREATER WATTENBERG AREA, WELD)	
COUNTY, COLORADO)	

APPLICATION

Great Western Oil and Gas Company, LLC as the sole Manager ("Applicant"), by and through its undersigned counsel, requests the Oil and Gas Conservation Commission of the State of Colorado ("COGCC"), enter an order pooling all non-consenting interests for the Appaloosa 33-13 & Appaloosa 33-14 Wells for production from the Codell and Niobrara formations. In support thereof, the Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.

2. Applicant owns working interests in the following described lands ("Application Lands") located in the Greater Wattenberg Area as defined in COGCC Rule 318A(I):

Township 7 North, Range 65 West, 6th P.M.
Section 33: W $\frac{1}{2}$ SW $\frac{1}{4}$
Weld County, Colorado

3. Applicant spudded the Appaloosa 33-13 & Appaloosa 33-14 Wells ("Wells") on May 28, 2011 (33-13) and on May 16, 2011 (33-14) as directional wells with a surface location of 1455 feet FSL and 1536 feet FWL in the Application Lands and a bottom hole location of 1901 feet FSL and 658 feet FWL of the same section for the Appaloosa 33-13 and a surface location of 1415 feet FSL and 1536 feet FWL in the Application Lands and a bottom hole location of 631 feet FSL and 661 feet FWL of the same section for the Appaloosa 33-14. The Wells have been completed in and produce from the Codell and Niobrara formations.

4. The Application Lands are subject to COGCC Rule 318A(I)a.4.C.

5. The Wells were drilled within designated drilling windows under Rule 318A(I)a.4 and Applicant designated the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 33 as the spacing unit for the Wells.

6. Applicant, pursuant to provisions of C.R.S. §34-60-116(6) and (7) and COGCC Rule 530 seeks an order to involuntarily pool all interests not voluntarily pooled for the development of the Niobrara formation in the Application Lands.

7. Applicant requests COGCC's pooling order be made retroactive to the earliest date costs are incurred for the Well as allowed by C.R.S. §34-60-116(7), or the date of this application, whichever is earlier.

8. The names and last known addresses of the interest owners in the Application Lands are shown in Exhibit A to this application. Applicant certifies that, at least 30 days prior to the hearing on this matter, each such interest owner not already leased or pooled has been offered the opportunity to lease their interest or to participate in the drilling of the Well, and has been provided with the information required by COGCC Rule 530.

9. With respect to each Unleased Mineral Owner listed in Exhibit A, Applicant has made reasonable attempts pursuant to COGCC Rule 530.b. to enter into leases or participation agreements with such parties but has been unsuccessful in such attempts. An Authorization for Expenditure ("AFE") for the Well containing information required by COGCC Rule 530.a. was sent to each Unleased Mineral Owner more than 30 days prior to the date of the hearing on this Application. An example of such AFE and letter is attached hereto as Exhibit B.

10. In order to prevent waste, protect correlative rights and in the best interests of conservation, all interests in the Codell and Niobrara formations in the Wellbore Spacing Unit owned

by the Unleased Mineral Owners listed on Exhibit A should be pooled in accordance with C.R.S. § 34-60-116 and Rule 530 of the COGCC.

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

A. Involuntarily pooling all interest owners with whom Applicant has been unable to secure a lease or participation agreement with respect to the drilling and completion of the Well in the Codell and Niobrara Formations in the Wellbore Spacing Unit, and that such owners be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the terms and penalties provided for therein.

B. Establishing that COGCC's order made with respect to this application is retroactive to the earliest date costs were incurred for the Well as allowed by C.R.S. §34-60-116(7), or the date of this application, whichever is earlier.

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

DATED this 20th day of June, 2012.

Respectfully submitted,
WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 
Stephen J. Sullivan
1125 17th Street, Suite 2200
Denver, CO 80202
(303) 830-2500
ssullivan@wsmtlaw.com

Applicants' Address:
Great Western Oil and Gas Company, LLC
1700 Broadway, Suite 650
Denver, CO 80290

VERIFICATION

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

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is a Petroleum Landman for Great Western Oil and Gas Company, LLC whose address is 1700 Broadway, Suite 650, Denver, CO 80290.
2. He has read the within application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.

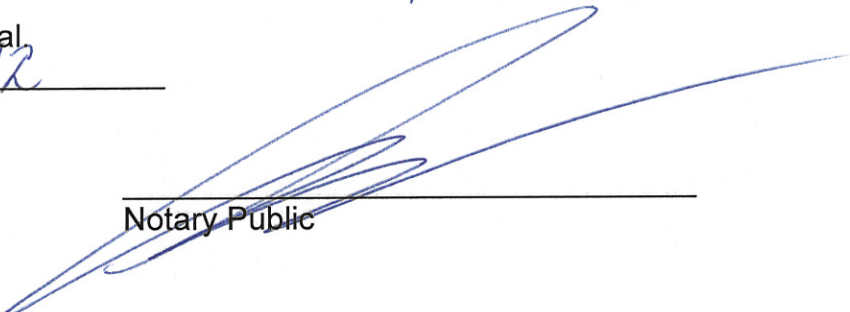


Santiago Rodriguez

Subscribed and sworn to before me this 19th day of June, 2012.

Witness my hand and official seal
My commission expires: 9-12





Notary Public

EXHIBIT "A"
TO
APPLICATION OF GREAT WESTERN OIL AND GAS COMPANY LLC

Interested Parties in the W½SW¼ of Section 33, Township 7 North, Range 65 West

Applicant: Great Western Oil and Gas Company, LLC
1700 Broadway, Suite 650
Denver, CO 80290

Applicant's Attorney: Stephen J. Sullivan, Esq.
Wellborn Sullivan Meck & Tooley, P.C.
1125 17th Street, Ste. 2200
Denver, CO 80202

Local Government Designee: Bruce T. Barker, Esq.
Weld County Commissioner Office
P.O. Box 758
Greeley, CO 80634

Leased Mineral Owners: Mark D. & Joyce A. Drescher
20184 Leola Way
Eaton, CO. 80615

Daniel T. & Teri E. Foster.
36329 Appy Rd. 65
Eaton, CO. 80615

Norman H. & Rosemarie Laber
36127 Appy Rd.
Eaton, CO. 80615

Bradley M. Roder
20195 Leola Way
Eaton, CO. 80615

Leonard & Janice J. Thorbjornson
20085 WCR 74
Eaton, Co. 80615

Clifford Clift
2001 Fern Ave.
Greeley, CO. 80631

Paul Clift
P.O. Box 4016
Breckenridge, CO. 80424

Kurt A. & Elaine Marjorie Peterson
36151 Appy Rd.
Eaton, CO. 80615

Timothy Eugene & Geri D. Phagan
36301 Appy Rd.
Eaton, CO. 80615

Scott & Tammy Girten
20202 Leola Way
Eaton, CO. 80615

James Edwards & Pamela Mae Dorland
20198 Leola Way
Eaton, CO. 80615

David L. & Leslie L. Brantner
20205 Leola Way
Eaton, CO. 80615

Jeffrey C. & Krista L. Smith
36207 Appy Rd.
Eaton, CO. 80615

Nathan R. Weibel
20207 Leola Way
Eaton, CO. 80615

Harder Building and Development, Inc.
5164 Shavano Ct.
Windsor, CO. 80550-2584

Advantage Bank
4290 W. 10th Street, Ste. 110
Greeley, CO. 80634

David R. & Melody A. Brown
35361 Appy Rd.
Eaton, CO. 80615

Joseph R. & Bonnie Abernathy
20201 Leola Way
Eaton, CO. 80615

Daniel R. & Andrea M. Dirksen
20204 Leola Way
Eaton, CO. 80615

Kelly E. & Susan E. Lacy
36375 Appy Rd.
Eaton, CO. 80615

Scott Hanneman
20186 Leola Way
Eaton, CO. 80615

Kimberly K. Winck
20187 Leola Way
Eaton, CO. 80615

Kenneth G. & Sandra E. Curtis
20192 Leola Way
Eaton, CO. 80615

Donald R. & Joni M. Struppler
20185 Leola Way.
Eaton, CO. 80615

Gail S. Robinson
36169 Appy Rd.
Eaton, CO. 80615

Brian G. Lesh
15985 Road 41
Sterling, CO. 80751

Jeffrey A. & Trisha S. Koeltzow
20199 Leola Way
Eaton, CO. 80615

Douglas A. Lesh
6 Lazy W Road
Fountain, CO. 80817

Joanne L. Gilbaugh
305 Cobble Dr.
Windsor, CO. 80550

Gary L. & Mary A. Hazen
20411 WCR 76
Eaton, CO. 80615-9200

Ronald L. & Laretta Anderson
14886 WCR 74
Eaton, CO. 80615

Carol Louise Anderson Honstein
4545 Wheaton Dr., Unit D-150
Ft. Collins, CO. 80525

Earl C. & Lucille Bowsby
95 North Shore Circle
Murray, KY. 42071

Richard A. & Dixie Bloom
927 Emerson Ave.
Alliance, NE. 69301

Darrell W. & Lynn R. Anderson
856 S. Quivas
Denver, CO. 80223

Janice E. Anderson
1215 Honeysuckle Ct.
Windsor, CO. 80550

Heather L. Anthony
1215 Honeysuckle Ct.
Windsor, CO. 80550

Joyce Elaine Anderson Heimbickner
12933 Columbine Dr.
Longmont, CO. 80501

Tamera S. & James D. Waymire
36524 WCR 41
Eaton, CO. 80615

Dorothy Paxton
36620 WCR 41
Eaton, CO. 80615

Unleased Mineral Owners:

Pioneer Developers, LLC
C/O Thomas K. Wilson, manager
1525 Pelican Lakes PT Unit A
Windsor, CO. 80550-6219

Lori K. & Randall R. Craddock
36103 Appy Rd.
Eaton, CO. 80615

Edward L. & Lois I. Nestor
36245 Appy Rd.
Eaton, CO. 80615

Juan Rodriguez
20035 CR 74
Eaton, CO. 80615

Leasehold Owners:

Canamex, LLC
1700 Broadway, Suite 650
Denver, CO 80290

Petroleum Development Corporation
1775 N. Sherman St., Ste. 3000
Denver, CO. 80203-4341

EXHIBIT "B"
TO
APPLICATION OF GREAT WESTERN OIL AND GAS COMPANY LLC
Authorization for Expenditure

1700 Broadway
Suite 650
Denver, Colorado 80290



Santiago Rodriguez
Petroleum Landman
Tel: 303.398.0596
Fax: 1.866.776.1057
E-mail:
srodriguez@gwogco.com

March 28, 2012

Joanne L. Gilbaugh
305 Cobble Dr.
Windsor, CO. 80550

USPS CERTIFIED MAIL
Tracking #7008 1830 0000 5318 5731

RE: **OIL & GAS LEASE: WELD COUNTY, COLORADO**
Township 7 North, Range 65 West, 6th P.M.
Section 33: GA-1 Lot 1, GA-2 Lot 2, GA-10 Lot 10 & GA-14 Lot 14 Gilbaugh's Appaloosa Acres
2nd Replat, being a part of the W $\frac{1}{2}$ SW $\frac{1}{4}$.
Containing 3.0308 gross acres and 3.0308 net acres, \pm .

Dear Ms. Gilbaugh:

I am writing to inform you that the 3.0308 mineral acres owned by Ms. Joanne L. Gilbaugh in the above described is included in the Spacing Units for the Appaloosa 33-13, 33-14 and the Lamb 33-53 wells. Great Western Oil and Gas Company, LLC ("GWOG") has drilled and completed said wells in the fourth quarter of 2010 at the locations specified on Exhibit A, and as such, you own a share of the oil and gas produced from said wells. You have multiple options in regards to these wells:

1. Lease your mineral interest to GWOG and receive a royalty on production.
2. Participate as our partner by paying your share of the estimated drilling & completion costs.
3. Do nothing and allow the State of Colorado to force pool your oil and gas rights.

To date I have not received your signed oil and gas lease that I sent to you on November 18, 2011; so I am required by Colorado Statute §34-60-116(7) (d), C.R.S. to inform you that the Appaloosa 33-13, 33-14 and Lamb 33-53 wells have been drilled to an approximate depth of 7,500 feet, or deep enough to test the Codell and Niobrara formations, for an estimated cost of \$699,019.00 per Appaloosa well, and \$621,469.00 for the Lamb 33-53 well. Enclosed herewith are GWOG's AFEs for your review and approval. Your estimated ownership and share of the expense to drill & complete each well is listed on Exhibit A. If you elect to participate, please indicate your election on the enclosed page and return the signed copy in the envelope provided, along with the signed AFEs; the extra copies are for your records. I will send our Joint Operating Agreement for your review and execution if you elect to participate.

Our offer to lease your mineral interest for \$200.00 per net mineral acre, 18.5% royalty, with a three year primary term still stands. If you do not wish to lease or participate in the drilling of said wells, please be advised that you will be named in the application for force pooling which I am prepared to file with the Colorado Oil and Gas Conservation Commission. If you have any questions, please contact me at (303) 398-0596 or email me at srodriguez@gwogco.com. Thank you for your time into this matter.

Best Regards,
Great Western Oil and Gas Company, LLC

Santiago Rodriguez
Petroleum Landman

March 28, 2012

RE: Election Letter – **Appaloosa 33-13, 33-14 & Lamb 33-53 Wells**
T7N-R65W Section 33: W $\frac{1}{2}$ SW $\frac{1}{4}$ & SW $\frac{1}{4}$, 6th P.M. Weld County, CO.

Dear Working Interest Owner:

Pursuant to that certain well proposal letter for the above captioned wells, please circle one of the following:

In response to GWOG's drilling proposal in the above described, Joanne L. Gilbaugh, Individually and as Trustee of the Ivan Gilbaugh Family Trust, hereby elects to _____ **participate**, _____ **not participate** in drilling and completing the **Appaloosa 33-13 well**.

In response to GWOG's drilling proposal in the above described, Joanne L. Gilbaugh, Individually and as Trustee of the Ivan Gilbaugh Family Trust, hereby elects to _____ **participate**, _____ **not participate** in drilling and completing the **Appaloosa 33-14 well**.

In response to GWOG's drilling proposal in the above described, Joanne L. Gilbaugh, Individually and as Trustee of the Ivan Gilbaugh Family Trust, hereby elects to _____ **participate**, _____ **not participate** in drilling and completing the **Lamb 33-53 well**.

In response to GWOG's drilling proposal in the above described, Joanne L. Gilbaugh, Individually and as Trustee of the Ivan Gilbaugh Family Trust, hereby elects to _____ **divest** its' interest in the above described wells and the associated spacing units.

Signed this _____ day of _____, 2012.

Joanne L. Gilbaugh

By: _____

Name: _____

Joanne L. Gilbaugh, Trustee of the Ivan Gilbaugh Family Trust

By: _____

Name: _____

Title: _____

Exhibit "A"
To Drilling Proposal Letter dated March 28, 2012
T7N-R65W-Section 33: W $\frac{1}{2}$ SW $\frac{1}{4}$ & SW $\frac{1}{4}$
Weld County, Colorado

Appaloosa 33-13

Surface Hole Location = 1455' FSL & 1536' FWL
Bottom Hole Location = 1901' FSL & 658' FWL
Spacing Unit: W $\frac{1}{2}$ SW $\frac{1}{4}$, containing 79.4247 acres, \pm .
Your combined ownership: 3.815942% W.I.
Your Cost to drill and complete: \$26,674.16

Appaloosa 33-14

Surface Hole Location = 1415' FSL & 1536' FWL
Bottom Hole Location = 631' FSL & 661' FWL
Spacing Unit: W $\frac{1}{2}$ SW $\frac{1}{4}$, containing 79.4247 acres, \pm .
Your combined ownership: 3.815942% W.I.
Your Cost to drill and complete: \$26,674.16

Lamb 33-53

Surface and Bottom Hole = 1434' FSL & 1536' FWL
Spacing Unit: SW $\frac{1}{4}$, containing 159.4247 acres, \pm .
Your combined ownership: 1.901086% W.I.
Your cost to drill and complete: \$11,814.66

Total Drilling and Completion Cost: \$65,162.98

Great Western Oil and Gas Company
Authorization For Expenditure - Drilling and Completion

Well Name: Appaloosa 33-13

Field: Wattenberg

Location: T3-7n, R63-67w

Total Depth: 6800 - 7500

New Codell/Niobrara

w:\clients\04513\0001\00098379.xlsm\ja

WATTENBERG

County: Weld

State: CO

Directional Wells 2011

Original Preparation Date:

5/17/2011

Revision Preparation Date:

denotes change from previous

CODE	TERM	FL	\$/FL	VENDOR	MATERIALS	LABOR	TOTAL	CODE
DRILLING								
106	Compliance & Environmental Management				\$0	\$500	\$500	106
108	Legal (DTO and DOTO)				\$0			108
110	Federal and State Permits and Fees				\$0	\$200	\$200	110
111	Land and USR			Crews&Zeren	\$0		\$0	111
	Geological Fee				\$0	\$0	\$0	
114	Staking			Powers Surveying	\$0	\$750	\$750	114
116	Temp.Road/CAT/Grader			M&M	\$0	\$0	\$0	116
118	Build Location,			M&M	\$0	\$7,000	\$7,000	118
119	Contract Labor			Longhorn	\$0		\$0	119
120	Temp Equipment (Culverts, Fence, etc.)			Longhorn	\$0	\$200	\$200	120
121	Conductor Casing				\$0	\$0	\$0	121
122	Surface Damage Payments				\$0	\$4,000	\$4,000	122
123	Right of Way Fees				\$0	\$0	\$0	123
124	Crop Damage Payments				\$0	\$0	\$0	124
125	Drilling Rig Mobilization,			Ensign	\$0	\$15,000	\$15,000	125
126	Drilling Rig (Turnkey)			Ensign	\$0	\$177,000	\$177,000	126
127	Drilling Rig (Daywork)			Ensign	\$0	\$0	\$0	127
128	Surface Casing (8 5/8" 24#)			CTAP / WB		\$0	\$0	128
129	Drilling Rig (Footage)			Ensign		\$0	\$0	129
130	Transportation				\$0	\$0	\$0	130
131	Intermediate Casing				\$0	\$0	\$0	131
132	Cement/Float Equip.			Halliburton / BJ Services	\$0		\$0	132
133	Drill String Rentals				\$0	\$0	\$0	133
134	Drilling Water		0.75	Basic	\$7,000	\$0	\$7,000	134
135	Surf Equipment Rental (Camp, Solids Equip, Etc.)					\$18,000	\$18,000	135
136	Drilling Fluids/Chemicals			Imperial		\$0	\$0	136
137	Bits			Ensign	\$0	\$0	\$0	137
138	Casing Crew			Ensign	\$0	\$6,500	\$6,500	138
139	Fishing				\$0	\$0	\$0	139
140	Geologist/Mudlogger				\$0	\$1,500	\$1,500	140
141	Communications				\$0	\$0	\$0	141
142	Open Hole Logging			PSI	\$0	\$5,000	\$5,000	142
143	Potable Water				\$0	\$0	\$0	143
144	Coring/Drill Stem Testing				\$0	\$0	\$0	144
145	Misc. Supplies				\$0	\$0	\$0	145
146	Drilling Mud Hauling			Integrity	\$0	\$6,000	\$6,000	146
147	Miscellaneous-mud motor				\$0	\$0	\$0	147
148	Trash Hauling/Sanitation			Miller	\$0	\$0	\$0	148
149	Drilling Supervision			JLJ	\$0	\$1,250	\$1,250	149
150	Plug and Abandon			Halliburton	\$0	\$0	\$0	150
151	Directional Drilling			Ensign	\$0	\$0	\$0	151
152	Backfill Location,			M&M	\$0	\$0	\$0	152
	TOTAL DRILLING COSTS:				\$7,000	\$242,900	\$249,900	
COMPLETION								
201	Project Management				\$0	\$0	\$0	201
202	Production Casing (2%/10days)	7,200	9.67	Colo Tubular / WB	\$68,232	\$0	\$68,232	202
204	Casing Freight			Adams	\$0		\$0	204
206	Pup Joints				\$1,500	\$0	\$1,500	206
208	Casing Head and Fittings			WB	\$750	\$0	\$750	208
210	Tubing (2 3/8ths J-55 new) (2%/10days)	7,100	4.25	Colo Tubular / WB	\$30,175	\$0	\$30,175	210
212	Tubing Freight			RMI		\$0	\$0	212
214	Blast Joint				\$0	\$0	\$0	214
216	Tubing Head/Tree & Fittings			WB	\$1,500	\$0	\$1,500	216
218	Tubing Head Labor				\$0	\$500	\$500	218
219	Miscellaneous Equipment Transportation				\$0	\$0	\$0	219
220	Casing Crew	7,450		Kimzey	\$0		\$0	220
222	Cementing/Float Equipment			Halliburton/ BJ	\$0	\$18,000	\$18,000	222
224	Bond/Prod Logging, Perforating, WL Work			Bran-Dex	\$0	\$14,500	\$14,500	224
226	Reservoir Testing			Cable	\$0	\$0	\$0	226
228	Pressure Testing/Circulating			HS	\$0	\$500	\$500	228
230	Completion Fluids			KCI	\$0	\$5,000	\$5,000	230
232	Completion Rig & Accessories			Ensign / ECWS	\$0	\$15,000	\$15,000	232
234	Tool Rental			Weatherford	\$0	\$1,500	\$1,500	234
236	Rental Frac/Flowback Tanks	18	780.00	A&W / Key	\$0	\$14,040	\$14,040	236
237	Communications				\$0	\$0	\$0	237
238	Tank Cleaning			Leed/Rainbow	\$0	\$600	\$600	238
240	Tank Hauling			Key / Leed	\$0	\$1,000	\$1,000	240
242	Purchase & Haul Frac Water			A&W	\$0	\$5,000	\$5,000	242
244	Haul Excess Frac Water			KPK	\$0	\$0	\$0	244
246	Heat Water			Leed	\$0	\$6,000	\$6,000	246

Great Western Oil and Gas Company
Authorization For Expenditure - Drilling and Completion

Well Name: Appaloosa 33-13

Field: Wattenberg

Location: T3-7n, R63-67w

Total Depth: 6800 - 7500

New Codell/Niobrara

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WATTENBERG

Directional Wells 2011

County: Weld

State: CO

Original Preparation Date: 5/17/2011

Revision Preparation Date:

denotes change from previous

CODE	TERM	Ft	\$/Ft	VENDOR	MATERIALS	LABOR	TOTAL	CODE
248	Breakdown				\$0	\$0	\$0	248
250	Fracture Codell and Niobrara			Halliburton/Calfrac	\$0	\$125,000	\$125,000	250
252	Water Disposal Charge	1000	0.55	Conquest	\$0	\$550	\$550	252
254	Flowback Water/Completion Fluid Hauling		1.10	Northern Plains	\$0	\$1,200	\$1,200	254
256	Flowback (Build/Tear Apart)			Longhorn	\$0	\$225	\$225	256
257	Contract Labor			Longhorn	\$0	\$1,000	\$1,000	257
258	Miscellaneous Equipment Rental/Services				\$0		\$0	258
259	Completion Supervision			JLJ	\$0	\$3,250	\$3,250	259
286	CAT/Grader			M&M	\$0		\$0	286
298	Subsurface Equipment				\$0	\$0	\$0	298
TOTAL COMPLETION COSTS:					\$102,157	\$212,865	\$315,022	
FINAL INSTALLATION AND SITE PREP								
260	Flowline/Water Disposal Line	150	3.50	WB	\$525	\$0	\$525	260
261	Gas Sales Pipeline				\$0	\$0	\$0	261
262	Flowline/Water Disposal Line Labor	150	5.66		\$0	\$850	\$850	262
263	Gas Sales Pipeline Labor				\$0	\$0	\$0	263
264	Production Tanks/High Profile		8100.00	WB	\$8,100	\$0	\$8,100	264
266	Tank Install./Pad Construction				\$0	\$9,000	\$9,000	266
268	Production Unit			Cimarron/Leed	\$20,000	\$0	\$20,000	268
270	Unit Install./Pad Construction				\$0	\$1,700	\$1,700	270
272	Miscellaneous Pipes and Fittings			WB	\$7,000	\$0	\$7,000	272
274	Intermittent/Plunger Lift/Automation Equipment			PCS/Wellmaster	\$5,000	\$0	\$5,000	274
276	Chemical Pump/Delivery & Install.			WB/Redman		\$0	\$0	276
277	Emissions Control Device				\$10,000	\$0	\$10,000	277
278	Waste Water Tank,			Cimarron	\$2,500	\$0	\$2,500	278
279	Rods, Pump, Misc. (Used)				\$0	\$0	\$0	279
280	Permanent Fences/Guards/Culverts/Bldgs.				\$1,250	\$0	\$1,250	280
281	.				\$0	\$0	\$0	281
282	Signs			Coverall	\$125	\$0	\$125	282
283	Insulation				\$0	\$0	\$0	283
284	Painting			Coverall, Nail	\$0		\$0	284
288	Permanent Road/Battery Turnaround			M&M	\$0	\$1,500	\$1,500	288
289	Production Equipment Berms/Material			M&M	\$1,000	\$0	\$1,000	289
290	Final/Extraordinary Labor,				\$0	\$1,000	\$1,000	290
291	Environmental Compliance				\$0	\$1,000	\$1,000	291
TOTAL INSTALLATION:					\$55,500	\$15,050	\$70,550	
TOTAL BEFORE CONTINGENCY					\$164,657	\$470,815	\$635,472	
CONTINGENCY								
301	Contingency				\$63,547	\$0	\$63,547	301
302						\$0	\$0	302
TOTAL INSTALLATION:					\$63,547	\$0	\$63,547	
GRAND TOTAL					\$228,204	\$470,815	\$699,019	

NOTE: The grand total does not reflect the plugging and abandoning cost.

PREPARED BY: Jeff Reale

Date: 5/17/11

APPROVED BY:

DATE:

NON-OPERATOR APPROVAL

Your signature below acknowledges your acceptance of the above estimate of your commitment to participate as a non-operator in the above well. Costs shown above are estimates only, and do not establish any limit on the monies which will be required to perform the proposed operations.

APPROVED BY:

DATE:

(signature)

NAME:

TITLE:

(print or type)

Great Western Oil and Gas Company
Authorization For Expenditure - Drilling and Completion

Well Name: Appaloosa 33-14

Field: Wattenberg

Location: T3-7n, R63-67w

Total Depth: 6800 - 7500

New Codell/Niobrara

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WATTENBERG

Directional Wells 2011

County: Weld

State: CO

Original Preparation Date:

5/17/2011

Revision Preparation Date:

denotes change from previous

CODE	TERM	FL	S/FL	VENDOR	MATERIALS	LABOR	TOTAL	CODE
DRILLING								
106	Compliance & Environmental Management				\$0	\$500	\$500	106
108	Legal (DTO and DOTO)				\$0			108
110	Federal and State Permits and Fees				\$0	\$200	\$200	110
111	Land and USR			Crews&Zeren	\$0		\$0	111
	Geological Fee				\$0	\$0	\$0	
114	Staking			Powers Surveying	\$0	\$750	\$750	114
116	Temp.Road/CAT/Grader			M&M	\$0	\$0	\$0	116
118	Build Location,			M&M	\$0	\$7,000	\$7,000	118
119	Contract Labor			Longhorn	\$0		\$0	119
120	Temp Equipment (Culverts, Fence, etc.)			Longhorn	\$0	\$200	\$200	120
121	Conductor Casing				\$0	\$0	\$0	121
122	Surface Damage Payments				\$0	\$4,000	\$4,000	122
123	Right of Way Fees				\$0	\$0	\$0	123
124	Crop Damage Payments				\$0	\$0	\$0	124
125	Drilling Rig Mobilization,			Ensign	\$0	\$15,000	\$15,000	125
126	Drilling Rig (Turnkey)			Ensign	\$0	\$177,000	\$177,000	126
127	Drilling Rig (Daywork)			Ensign	\$0	\$0	\$0	127
128	Surface Casing (8 5/8" 24#)			CTAP / WB		\$0		128
129	Drilling Rig (Footage)			Ensign		\$0	\$0	129
130	Transportation				\$0	\$0	\$0	130
131	Intermediate Casing				\$0	\$0	\$0	131
132	Cement/Float Equip.			Halliburton / BJ Services	\$0		\$0	132
133	Drill String Rentals				\$0	\$0	\$0	133
134	Drilling Water		0.75	Basic	\$7,000	\$0	\$7,000	134
135	Surf Equipment Rental (Camp, Solids Equip, Etc.)					\$18,000	\$18,000	135
136	Drilling Fluids/Chemicals			Imperial		\$0		136
137	Bits			Ensign	\$0	\$0	\$0	137
138	Casing Crew			Ensign	\$0	\$6,500	\$6,500	138
139	Fishing				\$0	\$0	\$0	139
140	Geologist/Mudlogger				\$0	\$1,500	\$1,500	140
141	Communications				\$0	\$0	\$0	141
142	Open Hole Logging			PSI	\$0	\$5,000	\$5,000	142
143	Potable Water				\$0	\$0	\$0	143
144	Coring/Drill Stem Testing				\$0	\$0	\$0	144
145	Misc. Supplies				\$0	\$0	\$0	145
146	Drilling Mud Hauling			Integrity	\$0	\$6,000	\$6,000	146
147	Miscellaneous-mud motor				\$0	\$0	\$0	147
148	Trash Hauling/Sanitation			Miller	\$0	\$0	\$0	148
149	Drilling Supervision			JLJ	\$0	\$1,250	\$1,250	149
150	Plug and Abandon			Halliburton	\$0	\$0	\$0	150
151	Directional Drilling			Ensign	\$0	\$0	\$0	151
152	Backfill Location,			M&M	\$0	\$0	\$0	152
	TOTAL DRILLING COSTS:				\$7,000	\$242,900	\$249,900	
COMPLETION								
201	Project Management				\$0	\$0	\$0	201
202	Production Casing (2%/10days)	7,200	9.67	Colo Tubular / WB	\$68,232	\$0	\$68,232	202
204	Casing Freight			Adams	\$0		\$0	204
206	Pup Joints				\$1,500	\$0	\$1,500	206
208	Casing Head and Fittings			WB	\$750	\$0	\$750	208
210	Tubing (2 3/8ths J-55 new) (2%/10days)	7,100	4.25	Colo Tubular / WB	\$30,175	\$0	\$30,175	210
212	Tubing Freight			RMI	\$0	\$0	\$0	212
214	Blast Joint				\$0	\$0	\$0	214
216	Tubing Head/Tree & Fittings			WB	\$1,500	\$0	\$1,500	216
218	Tubing Head Labor				\$0	\$500	\$500	218
219	Miscellaneous Equipment Transportation				\$0	\$0	\$0	219
220	Casing Crew	7,450		Kimzey	\$0		\$0	220
222	Cementing/Float Equipment			Halliburton/ BJ	\$0	\$18,000	\$18,000	222
224	Bond/Prod Logging, Perforating, WL Work			Bran-Dex	\$0	\$14,500	\$14,500	224
226	Reservoir Testing			Cable	\$0	\$0	\$0	226
228	Pressure Testing/Circulating			HS	\$0	\$500	\$500	228
230	Completion Fluids			KCI	\$0	\$5,000	\$5,000	230
232	Completion Rig & Accessories			Ensign / ECWS	\$0	\$15,000	\$15,000	232
234	Tool Rental			Weatherford	\$0	\$1,500	\$1,500	234
236	Rental Frac/Flowback Tanks	18	780.00	A&W / Key	\$0	\$14,040	\$14,040	236
237	Communications				\$0	\$0	\$0	237
238	Tank Cleaning			Leed/Rainbow	\$0	\$600	\$600	238
240	Tank Hauling			Key / Leed	\$0	\$1,000	\$1,000	240
242	Purchase & Haul Frac Water			A&W	\$0	\$5,000	\$5,000	242
244	Haul Excess Frac Water			KPK	\$0	\$0	\$0	244
246	Heat Water			Leed	\$0	\$6,000	\$6,000	246

Great Western Oil and Gas Company
Authorization For Expenditure - Drilling and Completion

Well Name: Appaloosa 33-14

Field: Wattenberg

Location: T3-7n, R63-67w

Total Depth: 6800 - 7500

New Codell/Niobrara

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CODE	TERM	Ft.	\$/Ft.	VENDOR	MATERIALS	LABOR	TOTAL	CODE
248	Breakdown				\$0	\$0	\$0	248
250	Fracture Codell and Niobrara			Halliburton/Calfrac	\$0	\$125,000	\$125,000	250
252	Water Disposal Charge	1000	0.55	Conquest	\$0	\$550	\$550	252
254	Flowback Water/Completion Fluid Hauling		1.10	Northern Plains	\$0	\$1,200	\$1,200	254
256	Flowback (Build/Tear Apart)			Longhorn	\$0	\$225	\$225	256
257	Contract Labor			Longhorn	\$0	\$1,000	\$1,000	257
258	Miscellaneous Equipment Rental/Services				\$0		\$0	258
259	Completion Supervision			JLJ	\$0	\$3,250	\$3,250	259
286	CAT/Grader			M&M	\$0		\$0	286
298	Subsurface Equipment				\$0	\$0	\$0	298
TOTAL COMPLETION COSTS:					\$102,157	\$212,865	\$315,022	
FINAL INSTALLATION AND SITE PREP								
260	Flowline/Water Disposal Line	150	3.50	WB	\$525	\$0	\$525	260
261	Gas Sales Pipeline				\$0	\$0	\$0	261
262	Flowline/Water Disposal Line Labor	150	5.65		\$0	\$850	\$850	262
263	Gas Sales Pipeline Labor				\$0	\$0	\$0	263
264	Production Tanks/High Profile		8100.00	WB	\$8,100	\$0	\$8,100	264
266	Tank Install./Pad Construction				\$0	\$9,000	\$9,000	266
268	Production Unit			Cimarron/Leed	\$20,000	\$0	\$20,000	268
270	Unit Install./Pad Construction				\$0	\$1,700	\$1,700	270
272	Miscellaneous Pipes and Fittings			WB	\$7,000	\$0	\$7,000	272
274	Intermitter/Plunger Lift/Automation Equipment			PCS/Wellmaster	\$5,000	\$0	\$5,000	274
276	Chemical Pump/Delivery & Install.			WB/Redman		\$0	\$0	276
277	Emissions Control Device				\$10,000	\$0	\$10,000	277
278	Waste Water Tank,			Cimarron	\$2,500	\$0	\$2,500	278
279	Rods, Pump, Misc. (Used)				\$0	\$0	\$0	279
280	Permanent Fences/Guards/Culverts/Bldgs.				\$1,250	\$0	\$1,250	280
281	.				\$0	\$0	\$0	281
282	Signs			Coverall	\$125	\$0	\$125	282
283	Insulation				\$0	\$0	\$0	283
284	Painting			Coverall,Nail	\$0		\$0	284
288	Permanent Road/Battery Turnaround			M&M	\$0	\$1,500	\$1,500	288
289	Production Equipment Berms/Material			M&M	\$1,000	\$0	\$1,000	289
290	Final/Extraordinary Labor,				\$0	\$1,000	\$1,000	290
291	Environmental Compliance				\$0	\$1,000	\$1,000	291
TOTAL INSTALLATION:					\$55,500	\$15,050	\$70,550	
TOTAL BEFORE CONTINGENCY					\$164,657	\$470,815	\$635,472	
CONTINGENCY								
301	Contingency				\$63,547	\$0	\$63,547	301
302						\$0	\$0	302
TOTAL INSTALLATION:					\$63,547	\$0	\$63,547	
GRAND TOTAL					\$228,204	\$470,815	\$699,019	

NOTE: The grand total does not reflect the plugging and abandoning cost.

PREPARED BY: Jeff Reale

Date: 5/17/11

APPROVED BY:

DATE:

NON-OPERATOR APPROVAL

Your signature below acknowledges your acceptance of the above estimate of your commitment to participate as a non-operator in the above well. Costs shown above are estimates only, and do not establish any limit on the monies which will be required to perform the proposed operations.

APPROVED BY:

DATE:

(signature)

NAME:

TITLE:

(print or type)

