

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

IN THE MATTER OF THE APPLICATION OF	)	
APOLLO OPERATING, LLC, FOR AN ORDER	)	CAUSE NO. 407
POOLING ALL INTERESTS IN THE 80-ACRE	)	
DRILLING AND SPACING UNIT ESTABLISHED FOR	)	DOCKET NO. <i>To be assigned</i>
THE E½ NE¼ OF SECTION 14, TOWNSHIP 6 NORTH,	)	
RANGE 67 WEST, 6 <sup>TH</sup> P.M., FOR THE	)	
DEVELOPMENT/OPERATION OF THE CODELL	)	
AND NIOBRARA FORMATIONS, WATTENBERG	)	
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 80-acre drilling and spacing unit established for the E½ NE¼ of Section 14, Township 6 North, Range 67 West, 6<sup>th</sup> 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 6 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 14: E½ NE¼

These lands are hereinafter referred to as the "Application Lands." A map depicting the Application Lands is attached hereto and marked Exhibit A.

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 recompleat a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. 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 the approximate 80-acre drilling and spacing unit established for the Application Lands, wherein Apollo plans to drill the Windsor LV #41-14D Well, API #05-123-35821 (the "Well"), a directional well with a planned surface location of 616 feet FNL and 1,986 feet FEL in Section 14, Township 6 North, Range 67 West, 6<sup>th</sup> P.M., and a planned bottomhole location of 667 feet FNL and 656 feet FEL in the NE¼ NE¼ of said Section 14, 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.

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 B 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 10<sup>th</sup> day of October, 2012.

Respectfully submitted,

APOLLO OPERATING, LLC

By: 

Robert A. Willis (Colorado Bar No. 26308)

Burleson LLP

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(303) 801-3200

Applicant's Address:

1538 Wazee St., Suite 200

Denver, CO 80202

## VERIFICATION

STATE OF COLORADO

)

) SS.

CITY &amp; COUNTY OF DENVER

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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

Jer

Jesse White, Manager

Subscribed and sworn to before me this 10<sup>th</sup> day of October, 2012, by Jesse White,  
Manager for Apollo Operating, LLC.

Witness my hand and official seal.

My commission expires: 8/12/14



Ganya L. Carpio

Notary Public

**Exhibit A**  
Application Map

E½ NE¼ of Sec. 14, T6N, R67W  
Weld County



Application Lands -

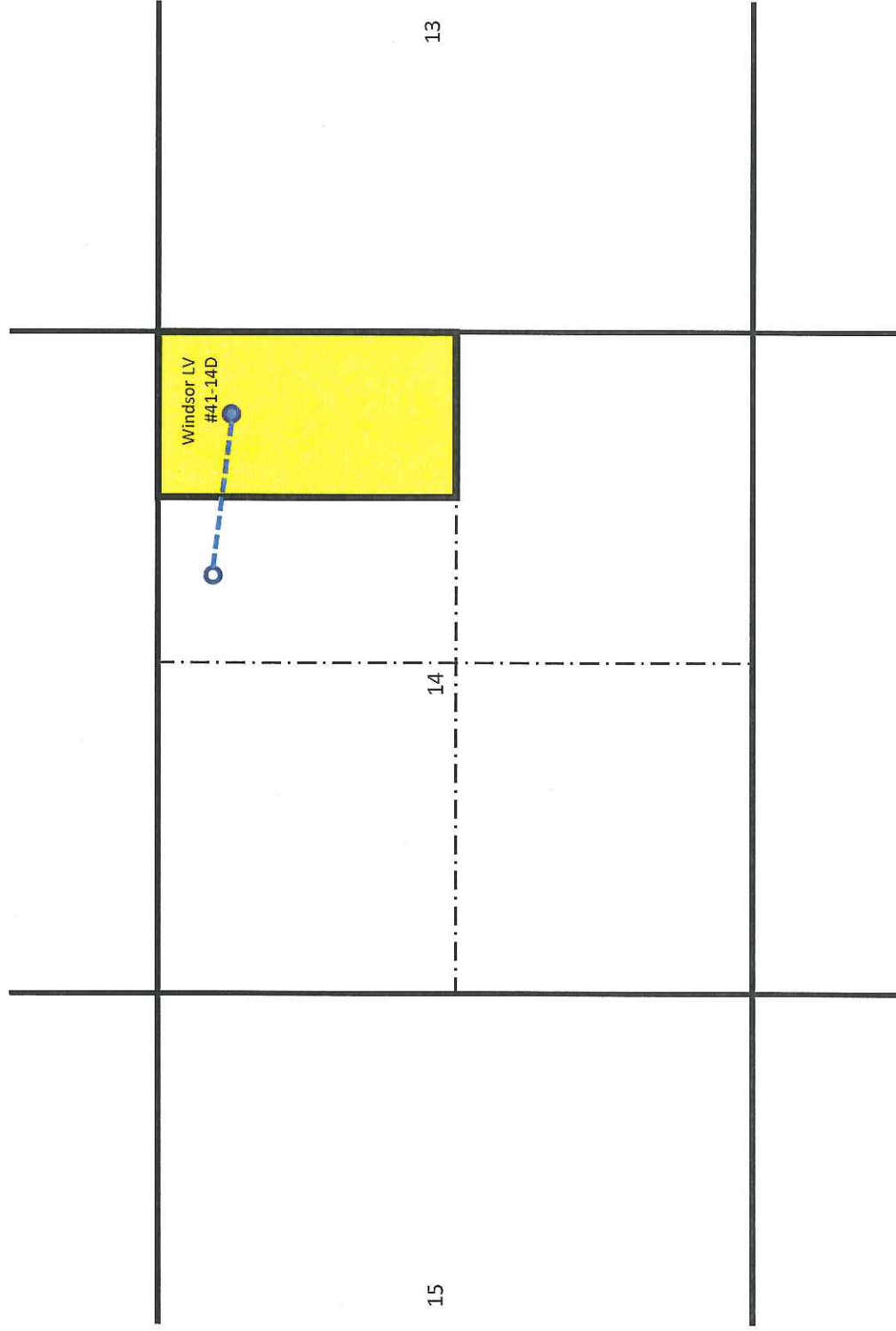




EXHIBIT B

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 B.

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