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

IN THE MATTER OF THE APPLICATION OF	)	
SWIFT ENERGY OPERATING, LLC TO	)	
ESTABLISH AN APPROXIMATE 643.40-	)	Cause No.
ACRE EXPLORATORY DRILLING AND	)	
SPACING UNIT IN SECTIONS 31 AND 32,	)	Docket No.
TOWNSHIP 34 NORTH, RANGE 12 WEST	)	
FOR THE DEVELOPMENT OF THE	)	
NIOBRARA FORMATION FOR CERTAIN		
DESCRIBED LANDS IN LA PLATA COUNTY.		
COLORADO		

#### **APPLICATION**

Swift Energy Operating, LLC ("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") pursuant to C.R.S. § 34-60-116(2) & (3) for an order establishing a 643.40-acre exploratory drilling and spacing unit and allowing up to one horizontal well to be drilled within the 643.40-acre exploratory drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying certain described lands in La Plata County, Colorado. In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a Texas limited liability company duly authorized to conduct business in the State of Colorado and is a registered operator in good standing with the Commission.
  - 2. Applicant holds certain leasehold interests in the following lands:

Township 34 North, Range 12 West, North Meridian

Section 31: N½
Section 32: N½

La Plata County, Colorado ("Application Lands").

Reference maps are attached hereto.

- 3. The Niobrara Formation is a common source of supply underlying the Application Lands.
- 4. The Application Lands are unspaced with respect to the Niobrara Formation. Since there are no Commission orders specifically applicable to the development of the Niobrara Formation on the Application Lands, wells drilled on the Application Lands are subject to Rule 318 of the Rules and Regulations of the Commission. Under Rule 318.a, wells deeper than 2,500 feet shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.

- 5. There are currently no producing wells from the Niobrara Formation on the Application Lands. No wells have been drilled and completed to the Niobrara Formation on the Application Lands, or on any lands in close proximity to the Application Lands.
- 6. To promote efficient drainage with the Niobrara Formation of the Application Lands, to protect correlative rights, avoid waste and effectively recover oil, gas and associated hydrocarbons, the Commission should establish a drilling and spacing unit of 643.40 acres for the Application Lands. Drilling and spacing units of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the drilling and spacing units.
- 7. Applicant also requests that the Commission allow it to drill and complete one (1) horizontal well in the above described drilling and spacing unit for the development of the Niobrara Formation for the Application Lands.
- 8. The horizontal well proposed to be drilled and completed shall be drilled from one surface location located within the 643.40 acre drilling and spacing unit. Applicant confirms that the treated interval of any well shall be no closer than 600 feet from the boundaries of the drilling and spacing unit. The Applicant further maintains that the proposed well will have no adverse effect on correlative rights of adjacent owners.
- 9. Applicant states that the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in <a href="Exhibit A">Exhibit A</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 consistent with Applicant's proposal as set forth above.

DATED this day of December, 2012.

Respectfully submitted:

SWIFT ENERGY OPERATING, LLC

By:

Jamie L. Jost
William E. Sparks
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:

Swift Energy Operating, LLC ATTN: Justin R. Mathews, CPL 16825 Northchase Drive, Suite 400 Houston, Texas 77060

#### **VERIFICATION**

STATE OF TEXAS		)
		) ss.
COUNTY OF HARRIS	*	)

James P. Mitchell, of lawful age, being first duly sworn upon oath, deposes and says that he is Senior Vice President Commercial Transactions and Land for Swift Energy Operating, LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief. .

James P. Mitchell Sr. VP Commercial Transactions & Land Swift Energy Operating, LLC

Subscribed and sworn to before this 1314 day of December, 2012.

Witness my hand and official seal.

[SEAL]

My commission expires: 1014 2015



#### **EXHIBIT A**

Dorothy Ruth Lynn 1801 NE 201 Ave. Troutdale, OR 97060 Ronald J. Cladwell IRA, Colorado State Bank and Trust 1600 Broadway Denver, CO 80202

Judith A. Walker 3723 Wonderland Hill Ave. Boulder, CO 80303

Robert W. Austin P.O. Box 37 Cookeville, TN 38501 Constance Austin Kuncicky 1996 Trust 1998 Crestview Circle Farmington, NM 87401 Joseph E. and Twilia Gooding Living
Trust
1998 Crestview Circle
Farmington, NM 87401

Opal Waters Revocable Family Trust 1624 Forest Ave. Durango, CO 81301 Linda Austin Seykora 2002 East 4<sup>th</sup> St. Greenville, NC 27834

The Pettit Family Trust 121 Coronada Cir. Santa Barbara, CA 93108

Bethany Marie Therrien 8428 Nelson Dr. Arvada, CO 80005 Roland L. Chevillar Evelyn D. Chevillar 612 Moul Ave. Hanover, PA 17331

Francis Chevillar Margaret Crow 260 Popular St Hanover, PA 17331

Arthur H. Belliveau Betty Belliveau 711 Morgan Cir. Gallup, NM 87301

Georgie Parker Broadhead P.O. Box 69 New Market, TN 37820

Shawn M. Dukart P.O. Box 364 San Rafael, NM 87051

Velnita Newton Long P.O. Box 287 Joseph City, AZ 86032

Linnie McClellan P.O. Box 364 San Rafael, NM 87051 Verna Merry 4409 Douglas Macarthur Rd. NE Apt. A Albuquerque, NM 87110

Vaughn Newton 517 High St. Pleasant City, OH 43772

Victor B. Newton P.O. Box 939 Gallup, NM 87305 Victor H. Parker 7561 El Escorial Buena Park, CA 90620

Paula M. Rowland 6421 Ouida Way Las Vegas, NV 89129 Molly Williams 2813 Gooseberry Dr. Plano, TX 75074

Mary Jo Coughlin 4719 Blackswan Dr. Shawnee, KS 66216 Nancy J. Hauser 1728 Larkhaven Glen Escondido, CA 92026

Virginia Louise Kenslow 1001 Curlew Dr. Virginia Beach, VA 23451 DJ Simmons Company Limited Partnership P.O. Box 1469 Farmington, NM 87499

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

ACRE EXPLORATORY DRILLING SPACING UNIT IN SECTIONS 31 A TOWNSHIP 34 NORTH, RANGE 12 FOR THE DEVELOPMENT OF	LC TO 643.40- 6 AND AND 32, 2 WEST THE ERTAIN	) ) ) )	Cause No.  Docket No.
STATE OF COLORADO	) )ss.		
CITY AND COUNTY OF DENVER	)		
Jamie L. Jost, of lawful age, and	being first d	luly sw	vorn upon her oath, states and declares:
That she is the attorney for Swi 2012, she caused a copy of the atta postage prepaid, addressed to the parti	ached Applicies listed on	cation	UU C. SA
Subscribed and sworn to before	me on Dece	mber	<u>3</u> , 2012.
Witness my hand and official sea	al.		
My commission expires:	3/2016		
TANYA S. COHEN	C	$\alpha$	na Scolia

NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20084038573 MY COMMISSION EXPIRES NOV. 13, 2016

Notary Public

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

IN THE MATTER OF THE APPLICATION OF SWIFT ENERGY OPERATING, LLC TO ESTABLISH AN APPROXIMATE 643.40-ACRE EXPLORATORY DRILLING AND SPACING UNIT IN SECTIONS 31 AND 32, TOWNSHIP 34 NORTH, RANGE 12 WEST FOR THE DEVELOPMENT OF THE NIOBRARA FORMATION FOR CERTAIN DESCRIBED LANDS IN LA PLATA COUNTY, COLORADO	DOCKET NO.  Γ )  4 )  E )  A )				
SUPPLEMENTAL AFFIDAVIT OF MAILING					
STATE OF COLORADO )					
)ss. CITY AND COUNTY OF DENVER )					
Jamie L. Jost of lawful age, and being first duly	sworn upon her oath, states and declares:				
That she is the attorney for Swift Energy Operating, LLC, that on or before December <u>21</u> , 2012, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed below.					
Michael Warren, Energy Liaison Colorado Parks and Wildlife Northwest Regional Office 711 Independent Avenue Grand Junction, CO 81505	Courtney D. Roseberry La Plata Planning Dept. 1060 East 2nd Ave Durango, CO 81301				
	Kent Kuster Oil & Gas Consultant Coordinator Colorado Department of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530				
Jai	Jaul Jef mie L. Jost				
Subscribed and sworn to before me on December <u>2</u> /, 2012.					
Withess my hand and official seal.  My commission expires:	May Ma a Say tary Public				