

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

IN THE MATTER OF THE APPLICATION OF | CAUSE NO.  
DAKOTA EXPLORATION, LLC FOR AN |  
ORDER TO POOL ALL INTERESTS IN AN | DOCKET NO.  
APPROXIMATE 640-ACRE DRILLING AND |  
SPACING UNIT ESTABLISHED FOR SECTION |  
2, TOWNSHIP 11 NORTH, RANGE 59 WEST, |  
6TH P.M., FOR THE NIOBRARA FORMATION, |  
UNNAMED FIELD, WELD COUNTY, |  
COLORADO |

APPLICATION

COMES NOW Dakota Exploration, LLC ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests within an approximate 640-acre drilling and spacing unit for the drilling of the Smock 1-2-11-59H Well, the Smock 2-2-11-59H Well, the Smock 3-2-11-59H Well, and the Smock 4-2-11-59H Well, (collectively, the "Wells")<sup>1</sup> for the development of the Niobrara Formation on the following described lands:

Township 11 North, Range 59 West, 6<sup>th</sup> P.M.  
Section 2: All

Weld County, Colorado (hereinafter "Application Lands").

In support thereof, Applicant states and alleges as follows:

1. Applicant is a 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 owns certain leasehold interests in the Application Lands.
3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located 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 source of supply, unless authorized by order of the Commission upon hearing. There are no other specific Commission Orders applicable to the Niobrara Formation underlying the Application Lands.
4. Applicant has concurrently filed with this Application a spacing application ("Spacing Application") requesting that the Commission establish an approximate 640-acre drilling and spacing unit for the Application Lands, requesting to drill and complete up to a total of four (4) horizontal wells in order to efficiently and economically recover the oil, gas and associated

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<sup>1</sup> API Numbers are currently unknown.

hydrocarbons from within the unit for the development of the Niobrara Formation. Said Spacing Application is scheduled to be heard at the July 29, 2013 Commission Hearing.

5. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands in the Niobrara Formation underlying the following approximate 640-acre drilling and spacing unit:

Township 11 North, Range 59 West, 6<sup>th</sup> P.M.  
Section 2: All

(hereafter "Drilling and Spacing Unit").

6. 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 each of the Wells to the Niobrara Formation on the Application Lands.

7. 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 each of the Wells, and will be provided with the information required by Rule 530 as applicable. The list of such interested parties is attached hereto as Exhibit A.

8. That in order to prevent waste and to protect correlative rights, all interests in the Drilling and Spacing Unit should be pooled for the orderly development of the Niobrara Formation, including any nonconsenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests in the Application Lands and the Drilling and Spacing Unit for the development of the Niobrara Formation.

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of each of the Wells in the Drilling and Spacing Unit to the Niobrara Formation on the Application Lands.

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 Wells are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to each of the Wells drilled to develop the Niobrara Formation in the Drilling and Spacing Unit comprising the Application Lands.

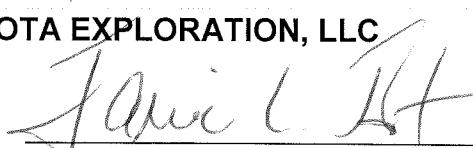
D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in July 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: May 30, 2013.

Respectfully submitted:

**DAKOTA EXPLORATION, LLC**

By: 

Jamie L. Jost

Gregory J. Nibert Jr.

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

Applicant's Address:

Dakota Exploration, LLC

ATTN: Jake Cinnamon

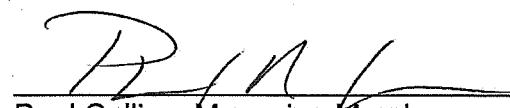
8801 S. Yale Ave., Suite 120

Tulsa OK 74137

VERIFICATION

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

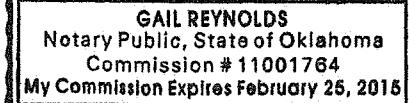
Paul Collins, of lawful age, being first duly sworn upon oath, deposes and says that he is Managing Member of Dakota Exploration, LLC, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

  
Paul Collins, Managing Member  
Dakota Exploration, LLC

Subscribed and sworn to before this 30<sup>th</sup> day of May, 2013.

Witness my hand and official seal.

[SEAL]



My commission expires: 2/25/2015

  
Gail Reynolds  
Notary Public

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

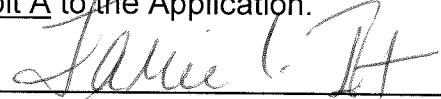
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COLORADO

**AFFIDAVIT OF MAILING**

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

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Dakota Exploration, LLC, that on or before June 7, 2013, 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 A to the Application.

  
\_\_\_\_\_  
Jamie L. Jost

Subscribed and sworn to before me on May 30, 2013.

Witness my hand and official seal.

My commission expires: 11/13/2016.

TANYA S. COHEN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20084038573 MY COMMISSION EXPIRES NOV. 13, 2016
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Notary Public

## EXHIBIT A

Joyce E. Smock  
46715 WCR 128  
Grover, CO 80729

Larry L. & Geraldine Highland  
62205 WCR 130  
New Raymer, CO 80742

D&J Oil Company, Inc.  
P.O. Box 10129  
Enid, OK 73706

Doris Curyea  
P.O. Box 52  
Glendo, WY 82213

Dwight Klinginsmith  
920 N Willow  
North Platte, NE 69101

Linda Erickson  
21775 CR 45  
LaSalle, CO 80645

Elsie Green Kinginsmith  
9700 Wadsworth Blvd  
Broomfield, CO 80021

Janyce Harms  
52715 CR 136  
Pine Bluffs, WY 82082

David Klinginsmith  
64800 CR 119  
Bushnell, NE 69128

Larry Klinginsmith  
58985 CR 107  
Bushnell, NE 69128

Pattie Klinginsmith  
5 Dowd Court  
Kimball, NE 69145

Donna Thompson  
1875 CR 160  
Pine Bluffs, WY 82082

Sandra Timm  
315 Washington St  
Goodland, KS 67735

Karla Warren  
7170 McKenzie Loop  
Cheyenne, WY 82009

Rex Energy Rockies LLC  
476 Rolling Ridge Drive, Suite 300  
State College, PA 16801

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CAUSE NO.  
DOCKET NO. 1307-UP-168

**SUPPLEMENTAL AFFIDAVIT OF MAILING**

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

Gregory J. Nibert, Jr. of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Dakota Exploration and that on or before July 1, 2013 he caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed below.

Bureau of Land Management  
2850 Youngfield St.  
Lakewood, CO 80215

  
Gregory J. Nibert, Jr.

Subscribed and sworn to before me June 28, 2013.

Witness my hand and official seal.

My commission expires: 3/31/15

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**Notary Public**

