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

IN THE MATTER OF THE APPLICATION OF)
WHITING OIL AND GAS CORPORATION FOR AN)
ORDER AMENDING ORDER NO. 535-204 AND)
ESTABLISHING TWO 1280-ACRE DRILLING AND) Cause No. 535
SPACING UNITS AND ESTABLISHING WELL)
LOCATION RULES APPLICABLE TO THE) Docket No.
DRILLING AND PRODUCING OF WELLS FROM)
THE NIOBRARA FORMATION COVERING)
CERTAIN LANDS IN SECTIONS 8, 17, 28 AND 33,)
TOWNSHIP 10 NORTH, RANGE 57 WEST, 6TH)
P.M., WELD COUNTY, COLORADO.)

APPLICATION

Whiting Oil and Gas Corporation ("Applicant" or "Whiting"), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing two approximate 1280-acre drilling and spacing units, and establishing well location rules applicable to the drilling of one well with the option to drill and complete up to a total of sixteen wells for production of oil, gas and associated hydrocarbons from the Niobrara Formation covering certain lands in Weld County, Colorado. In support of its Application, Applicant states as follows:

1. Applicant owns leasehold interests in the following lands ("Application Lands"):

Township 10 North, Range 57 West, 6th P.M.

Section 8: ALL Section 17: ALL

("DSU #1" Containing 1,280.00 acres, more or less)

Township 10 North, Range 57 West, 6th P.M.

Section 28: ALL Section 33: ALL

("DSU #2" Containing 1,280.00 acres, more or less)

A reference map of the Application Lands is attached hereto.

- 2. On October 1, 2012, the Commission entered Order No. 535-204 which established six approximate 960-acre drilling and spacing units, and approved up to four horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Sections 8 and 17, Township 10 North, Range 57 West, 6th P.M. are subject to this Order for the Niobrara Formation.
- 3. On March 25, 2013, the Commission entered Order No. 535-296 which approved up to eight horizontal wells within twenty-one approximate 640 to 960 acre drilling and spacing units, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be no closer than 200 feet from the treated interval of any other wellbore producing from the Niobrara Formation, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, then the treated interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands. Sections 8 and 17, Township 10 North, Range 57 West, 6th P.M. are subject to this Order for the Niobrara Formation.

- 4. On May 6, 2013, the Commission entered Order No. 535-314 allowing up to a total of sixteen horizontal wells within twenty-one drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be no closer than 200 feet from the treated interval of any other wellbore producing from the Niobrara Formation, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, without exception being granted by the Director. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary, then the treated interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands. Sections 8 and 17, Township 10 North, Range 57 West, 6th P.M. are subject to this Order for the Niobrara Formation.
- 5. Except for Sections 8 and 17, Township 10 North, Range 57 West, 6th P.M., the Application Lands are subject to Commission Rule 318.a which provides that a well drilled in excess of 2,500' in depth shall be located not less than 600' from any lease line, and shall be located not less than 1,200' 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.
- 6. The Niobrara Formation in the area of the Application Lands is defined as the stratigraphic equivalent of the interval between 5,777' (top of the Niobrara) and 6,101' (base of the Niobrara) as found in the Walker #3 Well located in Township 10 North, Range 58 West, 6th P.M., Section 31, Weld County, Colorado. The Niobrara Formation is a common source of supply under the Application Lands.
- 7. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, Applicant requests the Commission amend Order No. 535-204 with regard to Sections 8 and 17, Township 10 North, Range 57 West, 6th P.M. by vacating the 960-acre drilling and spacing unit consisting of all of Section 17 and the S½ of Section 8 and establish a drilling and spacing unit of approximately 1280-acres consisting of all of Section 17 and all of Section 8.
- 8. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, Applicant requests the Commission establish a second drilling and spacing unit of approximately 1280-acres consisting of all of Section 28 and all of Section 33, Township 10 North, Range 57 West, 6th P.M.
- 9. Applicant has drilled, tested and completed wells in the Niobrara Formation upon lands in close proximity to the Application Lands.
- 10. The above-proposed drilling and spacing units will allow efficient drainage of the Niobrara Formation, will prevent waste, will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the Niobrara Formation. The proposed drilling and spacing units are not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing units. Applicant further maintains that a well drilled in the above-proposed drilling and spacing units will have no adverse effect on correlative rights of adjacent owners.
- 11. Applicant is requesting to drill and complete one horizontal well in each of the approximate 1280-acre drilling and spacing units described above, with the option to drill and complete up to a total of sixteen horizontal wells for production of oil, gas and associated hydrocarbons from the Niobrara formation in the Application Lands with the surface location to be located at a legal location in the above described drilling and spacing units or on adjacent lands. Applicant further requests that the treated interval of each wellbore be no closer than 200 feet from the treated interval of any other wellbore producing from the Niobrara formation, and no closer than 100 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the treated interval of the wellbore no closer than 100 feet from a unit boundary. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the treated interval of the wellbore no closer than 100 feet from a

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unit boundary, then the treated interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands, without exception being granted by the Director.

12. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in <u>Exhibit A</u> attached hereto and made a part hereof, and the undersigned certifies that copies of the original Application shall be served on each interested party 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 proposals as set forth above.

Dated this 18th day of July, 2013.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

Stephen J Sullivan

Chelsey J. Russell

Welborn Sullivan Meck & Tooley, P.C.

Attorneys for Applicant

1125 - 17th Street, Suite 2200

Denver, CO 80202

303-830-2500

Applicant's Address:

1700 Broadway, Suite 2300 Denver, CO 80290-2300

Attn: Scott McDaniel, Regional Land Manager

Phone: 303-390-4261

VERIFICATION

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

Scott McDaniel, Regional Landman with Whiting Oil and Gas Corporation, 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.

WHITING OIL AND GAS CORPORATION

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Scott McDaniel, Regional Landman

Subscribed and sworn to before me this ______ day of July, 2013 by Scott McDaniel, Regional Landman for Whiting Oil and Gas Corporation.

Witness my hand and official seal.

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Notary Public

My/Commission Expires:__

EXHIBIT A

INTERESTED PARTIES

Carrizo (Niobrara) LLC 500 Dallas Street, Suite 2300 Houston, TX 77002

OIL India (USA) Inc., c/o Thompson Knight, LLC 333 Clay Street Suite 3300 Houston, TX 77002

IOCL (USA) Inc., c/o Thompson Knight, LLC 333 Clay Street Suite 3300 Houston, TX 77002

Haimo Oil and Gas, LLC F6, TowerB, Grand Place, No. 5, Huizhong Road Chaoyang District, Beijing, 100101, China

Marathon Oil Company 5555 San Felipe Street Houston, TX 77056-2723

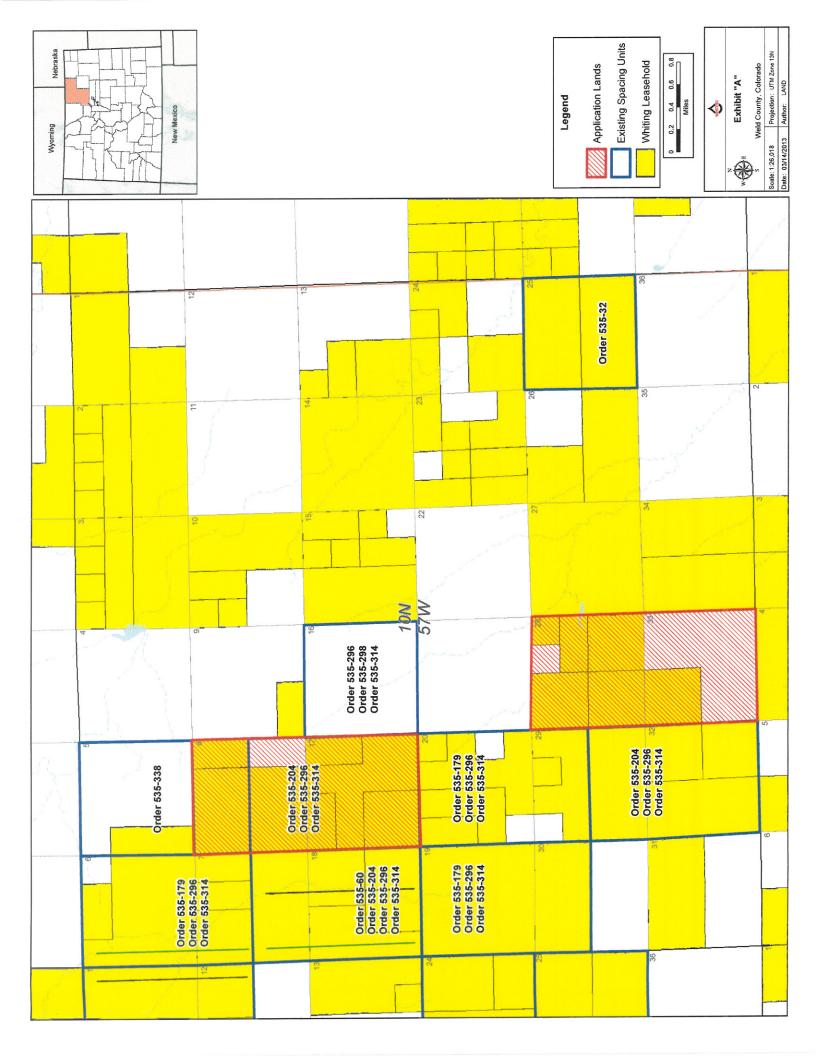
George R. Hatzmann 45 Rockefeller Plaza New York, NY 10111-0100

Holly R. Curry (Address unknown)

David Bauer Weld County 1111 H Street Greeley, CO 80632

Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of Public Health &
Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1500

Tom Schreiner Energy Liaison – Colorado Parks and Wildlife 6060 Broadway Denver, CO 80216



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IN THE MATTER OF THE APPLICATION OF WHITING OIL AND GAS CORPORATION FOR)	
AN ORDER AMENDING ORDER NO. 535-204 AND ESTABLISHING TWO 1280-ACRE)	Cause No. 535
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APPLICABLE TO THE DRILLING AND PRODUCING OF WELLS FROM THE)	
NIOBRARA FORMATION COVERING CERTAIN LANDS IN SECTIONS 8, 17, 28 AND 33,)	
TOWNSHIP 10 NORTH, RANGE 57 WEST, 6TH P.M., WELD COUNTY, COLORADO.)	
AFFIDAVIT O	F MAII ING	

STATE OF COLORADO 88 CITY AND COUNTY OF DENVER

I, Chelsey J. Russell, of lawful age, and being first duly sworn upon my oath, state and declare:

That I am the attorney for Whiting Oil and Gas Corporation and that on or before July 23, 2013, I 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.

Chelsey J. Russell

Subscribed and sworn to before me July <u>a5</u>, 2013.

Witness my hand and official seal.

Mellissa D. Mormon

Notary Public

My commission expires: 7/39/3017

NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894012434

MY COMMISSION EXPIRES AUGUST 29, 2017

MELISSA A. MORMAN