

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

IN THE MATTER OF THE APPLICATION	)	
OF MENDELL NIOBRARA, LLC FOR AN	)	
ORDER POOLING NONCONSENTING	)	
INTERESTS IN THE CODELL AND	)	Cause No. 407
NIOBRARA FORMATIONS COVERING	)	
CERTAIN LANDS IN TOWNSHIP 5 NORTH,	)	Docket No. _____
RANGE 64 WEST, 6TH P.M., WELD	)	
COUNTY, COLORADO.	)	

APPLICATION

Mendell Niobrara, LLC ("Mendell" or "Applicant"), formerly Pico Niobrara, LLC, 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" or "COGCC") for an order pooling all interests in the approximate 80-acre drilling and spacing unit in the S½SE¼ of Section 25, Township 5 North, Range 64 West, 6th P.M., Weld County, Colorado for the development and 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 a leasehold interest in the following lands:

Township 5 North, Range 64 West, 6th P.M.  
Section 25: S½SE¼

These lands are hereinafter referred to as the "Application Lands."

3. On October 19, 1981, the Commission issued Order No. 232-23, which established 320-acre drilling and spacing units for the production of gas and associated hydrocarbons from the "J" Sand underlying the Application Lands.

4. On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, extended 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands established in Orders Nos. 407-1, 407-10 and 407-13 to additional lands, including the Application Lands.

5. On November 16, 1992, the Commission issued Order No. 499-15, which states that the Dakota, "J" Sand, Codell and Niobrara Formations constitute common sources of supply of oil, gas and associated hydrocarbons in certain lands, including the Application lands, and voluntary units for production from the Codell, Niobrara and Sussex Formations is either 160-acres or the same size as the unit for production from the Dakota and "J" Sand Formation, with the unit for the Codell, Niobrara, Sussex and Shannon Formations, not less than that prescribed by Cause No. 407, 493 or 496.

6. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed an operator to use certain drilling locations to drill, twin, deepen or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, the Commission adopted Rule 318A(l), which, among other things, amended Rule 318A to address drilling of additional wells. Rule 318A(l)a.(4)A allows an operator to complete a well in the Greater Wattenberg Area ("GWA") in a 400' window to a spaced formation in accordance with existing spacing orders. Pursuant to Rule 318A(l).k, Rule 318A(l)

supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the GWA wells. The Application Lands are located within the area governed by the GWA Special Well Location Rule, Rule 318A(l) of the Commission rules.

7. Applicant designated the Application Lands as an approximate 80-acre wellbore spacing unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation pursuant to 318A(l) and Order No. 407-87.

8. Applicant drilled the Hoshiko 34-25 Well (API # 05-123-36264) spud December 1, 2012, in the SW¼SE¼ of Section 25, Township 5 North Range 64 West, 6th P.M., Weld County, Colorado with a surface location of 871' FSL, 2322' FEL and a bottomhole location of 758' FSL and 1975' FEL. The above described directional well is designed to test and produce oil, gas and associated hydrocarbons from the Codell and Niobrara Formations underlying the Application Lands.

9. Pursuant to the relevant provisions of Section 34-60-116(6) & (7), C.R.S., and COGCC Rule 530, Applicant seeks an order pooling all interests in the Application Lands for the development and operation of the Codell and Niobrara Formations.

10. Applicant requests that 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 Section 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of a Codell and Niobrara Formation well on the Application Lands, whichever is earlier.

11. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at Section 34-60-101, *et seq.*, C.R.S., and the Commission Rules.

12. The names and addresses of the interested parties (persons who own an interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto and marked Exhibit A. Applicant certifies that copies of this Application will be served on all interested parties to be pooled within seven (7) days of the date hereof, as required by Commission 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 the respective wells, and will be provided with the information required by Rule 530.

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:

A. Pooling all interests in the Application Lands, for the development and operation of the Codell and Niobrara Formations.

B. Providing that the pooling order is made effective as of the date of this Application, or the date that the costs specified in Section 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of a Codell and Niobrara Formations well on the Application Lands, 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 Section 34-60-116(7), C.R.S., 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 17<sup>th</sup> day of July, 2013.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: Chelsey Russell

Stephen J. Sullivan  
Chelsey J. Russell  
Welborn Sullivan Meck & Tooley, P.C.  
Attorney for Applicant  
1125 - 17th Street, Suite 2200  
Denver, CO 80202  
303-830-2500  
[ssullivan@wsmtlaw.com](mailto:ssullivan@wsmtlaw.com)  
[crussell@wsmtlaw.com](mailto:crussell@wsmtlaw.com)

Applicant's Address:

Mendell Niobrara, LLC  
Attn: Robert Ayling  
7979 Ivanhoe Avenue, Suite 300  
La Jolla, CA 92037

VERIFICATION

STATE OF CALIFORNIA                     )  
  ) ss.  
COUNTY OF SAN DIEGO                 )

James F. Mosier, Secretary of Mendell Niobrara, 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.

MENDELL NIOBRARA, LLC

James F. Mosier  
James F. Mosier, Secretary

Subscribed and sworn to (or affirmed) before me on this 17<sup>th</sup> day of JULY, 2013, by James F. Mosier, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Witness my hand and official seal.



PATRICIA ANN BOYLE  
Name of Notary Public  
Patricia Ann Boyle  
Signature of Notary Public  
JULY 29, 2016  
Commission Expiration

Place Notary Seal Above



EXHIBIT A

INTERESTED PARTIES

Noble Energy, Inc.  
Attn: Barry Myhr, CPL  
1625 Broadway, Suite 2200  
Denver, CO 80202

EnCana Oil & Gas (USA) Inc.  
Attn: Rick Gallegos, VP Rocky  
Mountain Lands  
370 17th Street, Suite 1700  
Denver, CO 80202

Wade Andre Loustalet  
a/k/a Wade Audri Loustalet  
10131 Brady Place  
Highlands Ranch, CO 80130

MF Energy, LLC  
c/o The Corporation Trust  
Company  
1209 Orange Street  
Wilmington, DE 19801

Mendell Niobrara, LLC - Application Lands

