

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

IN THE MATTER OF THE APPLICATION OF)	
CAERUS PICEANCE LLC FOR AN ORDER)	
POOLING ALLINTERESTS IN AN 80-ACRE)	CAUSE NO. 510
DRILLING AND SPACING UNIT FOR THE)	
FOR THE WILLIAMS FORK AND ILES)	DOCKET NO. 1401-UP-____
FORMATIONS OF THE MESAVERDE GROUP.)	
GRAND VALLEY FIELD, E/4SE/4 OF SECTION)	
14, TOWNSHIP 7 SOUTH, RANGE 96 WEST,)	
GARFIELD COUNTY, COLORADO)	

VERIFIED APPLICATION

COMES NOW, Caerus Piceance LLC ("Caerus" or "Applicant") by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its Application to the Oil and Gas Conservation Commission of the State of Colorado, for an order pooling all interests in an approximate 80-acre drilling and spacing unit for production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group in certain lands in the Grand Valley Field, Garfield County, Colorado, and in support states as follows:

1. Applicant is duly organized and authorized to conduct business in the State of Colorado.

2. Applicant owns leasehold interests in the following described lands in Garfield County, Colorado, containing approximately 80-acres (hereinafter, the "Application Lands"):

Township 7 South, Range 96 West, 6th P.M.
Section 14: E $\frac{1}{2}$ SE $\frac{1}{4}$

3. On September 16, 2013, the Commission issued Order 510-66, which, among other things, established the Application Lands as an 80-acre drilling and spacing unit for production of oil, gas and assorted hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group.

4. Applicant proposes to drill and complete the Nolte 43A-14, Nolte 43B-14, Nolte 43C-14, Nolte 44A-14, Nolte 44B-14, and Nolte 44C-14 wells (the "Wells") on the Application Lands to the Williams Fork and/or Iles Formations.

5. Applicant has been unable to obtain consent to voluntary pooling by all interest owners in the Application Lands. As a result, Applicant requests that all interests in the unit composed of the Application Lands be involuntarily pooled pursuant to C.R.S. §34-60-116 of the Colorado Oil and Gas Conservation Act.

6. The names and addresses of those persons who own any interest in the mineral estate in the Application Lands, exclusive of overriding royalty interests, according to the information and belief of the Applicant are set forth on **Exhibit A**. Copies of this Verified

Application shall be served on all such owners within seven (7) days of the date of this Application, as required by Commission Rule 503.e.

7. At least thirty (30) days prior to the hearing on this Application, the Applicant will have sent all owners listed on **Exhibit A**, who have not previously consented to lease or otherwise participate in the drilling and completion of the Wells, an Authority for Expenditures (AFE) and/or supporting documents which contain all information required by Commission Rule 530.b., and in case of unleased mineral owners, an offer to lease which is reasonable based on the factors listed in Commission Rule 530.c. The Applicant shall also agree to first comply with the requirements of C.R.S. §34-60-116(7)(d) with respect to any subsequent well in the pooled unit, prior to applying the cost recovery provisions of said statute.

8. Applicant anticipates that one or more of such owners will refuse or fail to respond to such offer to lease and/or to participate in the drilling, completion and operation of such Wells, and shall be deemed non-consenting parties under Commission Rule 530.b and c.

9. An order of the Commission pooling all interests in the unit for production from the Williams Fork and Iles Formations shall therefore be necessary in order to afford each owner of an interest in the unit the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the unit.

10. The granting of the requested order would not be prejudicial to the owners in the unit and would protect correlative rights.

11. The requested pooling order should be effective as of the date of this Application, or the date that costs specified by C.R.S. §34-60-116(7)(b) are first incurred by Applicant for the drilling of the any of the Wells, whichever is first in time.

WHEREFORE, the Applicant respectfully requests this matter be set for hearing, notice be given as required by law, and upon such hearing this Commission enter its order pooling all interests in the unit for production of oil, gas and associated hydrocarbons from wells to the Williams Fork and Iles formations, under such terms as are fair, reasonable and required by law.

Dated: November 27, 2013

LOHF SHAIMAN JACOBS HYMAN & FEIGER
PC

By: 

J. Michael Morgan #7279

Justin M. Plaskov #45053

950 South Cherry Street, Suite 900

Denver, CO 80246

(303) 753-9000; (303) 753-9997 (fax)

mmorgan@lohfsheiman.com

Address of Applicant:

Caerus Piceance LLC

600 17th Street, Suite 1600 North

Denver, CO 80202

EXHIBIT "A"

TO VERIFIED APPLICATION OF CAERUS PICEANCE LLC

Township 7 South, Range 96 West, 6th P.M.
Section 14: E $\frac{1}{2}$ SW $\frac{1}{4}$

Local Government Designee: Kirby H. Wynn
Garfield County
0375 County Road 352, Bldg 2060
Rifle, CO 81650-8412

Other Interested Parties:

Union Pacific Railroad Company
1180 W. 52nd Avenue
Denver, CO 80221

Puckett Land Company
5460 South Quebec Street, Suite 250
Greenwood Village, CO 80111

Puckett Holdings, LLC
5460 South Quebec Street, Suite 250
Greenwood Village, CO 80111

James S. Harrell, Trustee of the James S. Harrell Trust dated 2/24/2003
PO Box 1594
Ardmore, OK 73402

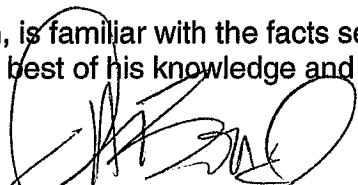
VERIFICATION

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

1. N. Arthur Bollen, of lawful age, being first duly sworn upon oath, deposes and states that he is a Senior Landman for the Applicant, and he maintains his office at 600 17th Street, Suite 1600 North, Denver, CO 80202.

2. He has read the within application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.

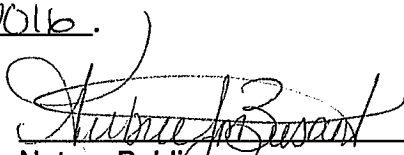


N. Arthur Bollen

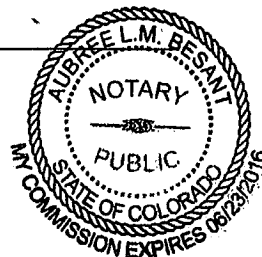
Subscribed and sworn to before me this 27 day of November, 2013.

Witness my hand and official seal.

My commission expires: June 23, 2016.



Notary Public



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CAUSE NO. 510

DOCKET NO. 1401-UP-____

AFFIDAVIT OF MAILING

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

J. Michael Morgan, of lawful age and being first duly sworn upon his oath, states and declares:

That he is the attorney for Caerus Piceance LLC in the above-captioned matter, and that on November 27, 2013, he caused a copy of the attached Verified Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** to the Application.



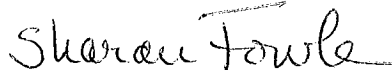
J. Michael Morgan

Subscribed and sworn to before me this 27 day of November, 2013.

Witness my hand and official seal.

My commission expires: 03/05/2015





Notary Public