

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

IN THE MATTER OF THE APPLICATION OF)
WARD PETROLEUM CORPORATION FOR AN)
ORDER TO ESTABLISH A 640-ACRE DRILLING) CAUSE NO. 407
AND SPACING UNIT FOR HORIZONTAL WELLS)
TO THE CODELL AND NIOBRARA FORMATIONS) DOCKET NO. 1406-SP-____
IN SECTION 24, TOWNSHIP 1 SOUTH,)
RANGE 67 WEST, WATTENBERG FIELD,)
ADAMS COUNTY, COLORADO)

VERIFIED APPLICATION

COMES NOW, Ward Petroleum Corporation ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its Verified Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission"), for an order to establish a 640-acre drilling and spacing unit in Section 24, Township 1 South, Range 67 West, 6th P.M, for horizontal wells to the Codell and/or Niobrara Formations, Wattenberg Field, Adams County, Colorado, and in support of its application 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 Adams County, Colorado, containing approximately 640-acres (hereinafter, the "Application Lands"):

Township 1 South, Range 67 West, 6th P.M.
Section 24

3. On December 19, 1983, the Commission issued order No. 407-1 (amended March 29 2000) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the unit to be designated by the operator drilling the first well in each quarter section. The Order provided that the permitted well shall be located in the center of either 40-acre tract within the unit, with a tolerance of 200 feet in any direction, and the operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit. The Application Lands are subject to this Order for the Codell Formation.

4. On February 19, 1992, the Commission issued Order 407-87 (amended August 20, 1993), which, among other things, established 80-acre drilling and spacing units for production of oil, gas and assorted hydrocarbons from the Codell and Niobrara Formations, with the permitted well locations to be in accordance with Order No 407-1. The Application Lands are subject to this Order for the Codell and Niobrara Formations.

5. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Well Location Rule ("GWA Rule"), which among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all Cretaceous Age Formations from the base of the Dakota Formation to the surface. This Rule

supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. 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, Rule 318A was again amended, among other things, to address the drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.

6. No wells have produced from the Codell or Niobrara Formations in said Section 24.

7. Applicant desires to drill and complete horizontal wells to the Codell and/or Niobrara Formations in the Application Lands.

8. Applicant requests that the Application Lands be established as a 640-acre drilling and spacing unit for the drilling of horizontal wells to the Codell and/or Niobrara Formations. The requested order should provide that up to twelve (12) optional horizontal wells may be drilled in the drilling and spacing unit to said Formations.

9. Applicant asserts that establishment of an approximate 640-acre drilling and spacing unit on the Application Lands, and the provision for up to twelve (12) horizontal wells therein, will permit the economic and efficient drainage of the Codell and Niobrara Formations, will prevent waste, will not adversely affect correlative rights and will help assure the greatest ultimate recovery of oil and associated hydrocarbons from the Codell and Niobrara Formations.

10. The requested order should further provide that the treated interval of any such horizontal well shall be no closer than 460-feet from the boundaries of the unit, and no closer than one hundred fifty (150) feet from the treated interval of any well producing from the Codell and/or Niobrara Formations, without exception being granted by the Director of the Commission.

11. The requested order should further provide that all such horizontal wells must be drilled from no more than two pads in such Section without exception being granted by the Director of the Commission.

12. A drilling and spacing unit of the size and shape specified above is not smaller than the maximum area which can be economically and efficiently drained by a single horizontal well to the Codell and/or Niobrara Formation in the Application Lands.

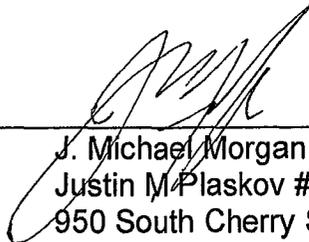
13. The proposed horizontal wells can be developed in a manner consistent with protection of the environment, public health, safety and welfare.

14. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth on **Exhibit A** attached hereto and made a part hereof.

WHEREFORE, the Applicant, Ward Petroleum Corporation, respectfully requests that this matter be set for hearing in June 16 or 17, 2014, that notice be given as required by law, and upon such hearing this Commission enter its order to establish a 640-acre drilling and spacing unit in the Application lands for horizontal wells to the Codell and/or Niobrara Formations as requested above, under terms which are fair, reasonable and required by law.

Dated: April 17, 2014.

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@lohshaiman.com

Applicant's Address:
Ward Petroleum Corporation
215 West Oak Street, Suite 1000
Fort Collins, Colorado 80521

VERIFICATION

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

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is contract landman for the Applicant, Ward Petroleum Corporation and maintains his office at 1800 Glenarm Place, Suite 703, Denver, CO 80202.
2. He has read the within Verified Application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge, information and belief.

Further Affiant sayeth not.


Ben Schuessler

EXHIBIT "A"

TO APPLICATION OF WARD PETROLEUM CORPORATION

Applicant:

Ward Petroleum Corporation
215 West Oak Street, Suite 1000
Fort Collins, CO 80521

Applicant's Attorney:

J. Michael Morgan, Esq.
Lohf Shaiman Jacobs Hyman & Feiger PC
950 South Cherry Street, Suite 900
Denver, CO 80246

Local Government Designee:

Gordon Stevens, Construction Manager
Adams County Public Works
4430 South Adams County Parkway
Brighton CO 80601-8218

Other Interested Parties:

Kent Kuster
Health and Environment
Colorado Department of State
4300 Cherry Creek Drive South
Denver CO 80246-1530

Celia Greenman
Colorado Division of Wildlife
6060 Broadway
Denver CO 80214

Unleased Mineral Owners:

K.C. and Donna Spier
14301 Brighton Rd
Brighton CO 80601

City of Brighton
c/o Chris Ernest
500 S 4th Avenue
Brighton CO 80601

Ready Mixed Concrete Co
Sprat-Platte Ranch CO LLLP
4395 Washington Street
Denver CO 80216

State Highway Commission
of Colorado
4201 E Arkansas Avenue
Denver, CO 80222

US Department of Interior
Bureau of Land Management
2850 Youngfield Street
Lakewood CO 80215

John C Warner
UNKNOWN

Timothy R. Ferrell and
Claudia M Ferrell
13785 Potomac Street
Brighton CO 80601

Fulton Irrigating Ditch Company
25 S 4th Avenue
Brighton CO 80601

Elmwood Baptist Church
of Brighton
13100 E 144th Avenue
Brighton CO 80601

Gail L Smith Living Trust
23880 E 152nd Avenue
Brighton CO 80603

Jeffrey J Abel
3003 Valmont Rd Lot 224
Boulder CO 80301

Lennie R & Lolita D Phipps
14305 Potomac Street
Brighton CO 80601

Robinson NW LLC
16524 Keystone Blvd #D2
Parker CO 8013

Working Interest Owners:

PDC Energy
1775 Sherman Street #3000
Denver, CO 80203

Bayswater Exploration & Production
730 17th Street #610
Denver, CO 80202

Lincoln Petroleum LLC
444 17th Street #708
Denver, CO 80202

Noble Energy Inc
1625 Broadway
Denver CO 80202

Colorado Energy Corporation
UNKNOWN

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE CODELL AND NIOBRARA) DOCKET NO. 1406-SP-_____
FORMATIONS, WATTENBERG FIELD, WELD COUNTY,)
COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On April 17, 2014, Ward Petroleum Corporation ("Ward" or "Applicant"), by its attorneys, filed with the Commission pursuant to §34-60-116 C.R.S., a verified application ("Application") for an order to:

- 1) Establish a 640-acre drilling and spacing unit for horizontal wells to the Codell and/or Niobrara Formations in Section 24, Township 1 South, Range 67 West, 6th P.M., Weld County, Colorado;
- 2) Permit the drilling of up to twelve (12) horizontal well in the unit to these Formations; and
- 3) Provide that the treated interval of any horizontal well be no closer than 460-feet from the boundaries of the unit, and no closer than one hundred fifty (150) feet from the treated interval of wells producing from these Formations, and be drilled from no more than two pads in Section 24.

APPLICATION LANDS

Township 1 South, Range 67 West, 6th P.M.
Section 24: All

PRIOR RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "ORDERS")

- On December 19, 1983, Order 407-1 (amended March 29 2000) established 80-acre units for the Codell Formation, with the unit to be designated by the operator drilling the first well in each quarter section. The Order provided that the permitted well be located in the center of either 40-acre tract in a unit, with a tolerance of 200 feet in any direction, and the operator would have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre unit.
- On February 19, 1992, Order 407-87 (amended August 20, 1993) established 80-acre units for the Codell and Niobrara Formations, with the permitted well locations to be in accordance with Order No 407-1.
- On April 27, 1988, Commission Rule 318A allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle certain Formations, including the Codell and Niobrara. This Rule supersedes all prior Commission spacing orders affecting well location and density requirements

of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A allowed interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A addressed the drilling of horizontal wells.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado under §34-60-105 C.R.S.; 2) specific powers granted pursuant to §34-60-106 C.R.S.; 3) the State Administrative Procedures Act at §24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2 CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, June 16, 2014
Tuesday, June 17, 2014

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than June 2, 2014.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings_unit@state.co.us), one original and two copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of June 3, 2014.** Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing, based on review of the merits of the verified application and supporting exhibits.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Robert J. Frick, Secretary

Dated: _____

Colorado Oil and Gas Conservation Commission
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Denver, Colorado 80203
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Fax: (303) 894-2109

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