

**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 14, 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 14, 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 14

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. The Applicant operates the Nauman #1-14, a vertical well to the J-Sand and Codell formations, which well has produced from the Codell Formation on a 160-acre unit composed of the NE/4 of said Section 14. The Nauman #1-14 well would be excluded from the proposed 640-acre drilling and spacing unit and the allocation of proceeds from such well will continue to be paid on said unit for the Codell formation. No other wells are producing from the Codell or Niobrara formations in said Section 14.

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.

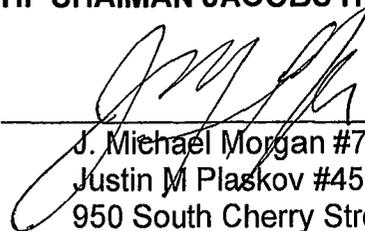
WHEREFORE, the Applicant, Ward Petroleum Corporation, respectfully requests that this matter be set for hearing in June 16 or 17, 2014, that notice be given as required by law, and upon

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@lohfsheiman.com](mailto:mmorgan@lohfsheiman.com)

Applicant's Address:

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



**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:**

The City of Brighton  
500 South 4<sup>th</sup>  
Brighton CO 80601

Jenna Cherie Lopez  
15171 Riverdale Road  
Brighton CO 80602

DC White Inc.  
14050 Country Hills Drive  
Brighton CO 80601

Aggregate Resources LLC  
4330 W 37<sup>th</sup> Avenue  
Denver CO 80212

S.U.S. Brighton Inc.  
21931 E Ridge Trail Circle  
Aurora CO 80016

Thomas & Janice Cronholm  
15151 Riverdale Road  
Brighton CO 80602

City of Thornton  
9500 Civic Center Drive  
Thornton CO 80229

Greg McAlexander  
14400 Riverdale Road  
Brighton CO 80602

**Working Interest Owners:**

BH Energy LLC  
14405 W Colfax Avenue #298  
Lakewood CO 80401

Kerr-McGee Oil & Gas Onshore  
1099 18<sup>th</sup> Street #1800  
Denver, CO 80202

Devon Energy Corporation  
333 W. Sheridan Avenue  
Oklahoma City OK 73102

