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

| IN THE MATTER OF AN APPLICATION BY ENCANA |) | |
|---|---|---------------------------|
| OIL & GAS (USA) INC. FOR AN ORDER POOLING |) | CAUSE NO. 407 |
| ALL INTERESTS IN THE 320-ACRE ESTABLISHED |) | |
| WELLBORE SPACING UNIT LOCATED IN SECTION |) | DOCKET NO. To be assigned |
| 4, TOWNSHIP 3 NORTH, RANGE 68 WEST, 6 TH P.M., |) | _ |
| FOR THE DEVELOPMENT/OPERATION OF THE |) | |
| CODELL FORMATION, WATTENBERG FIELD, WELD |) | |
| COUNTY, COLORADO |) | |

APPLICATION

Encana Oil & Gas (USA) Inc., acting by and through its authorized agent, Encana Services Company, Ltd. ("Encana" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order pooling all interests within an approximate 320-acre established horizontal wellbore spacing unit located in Section 4, Township 3 North, Range 68 West, 6th P.M., for the development and operation of the Codell Formation. In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
 - 2. Applicant owns majority leasehold interests in the below-listed lands:

Township 3 North, Range 68 West, 6th P.M. Section 4: S¹/₂N¹/₂, N¹/₂S¹/₂

These lands are hereinafter referred to as the "Application Lands." A depiction of the Application Lands is attached hereto and marked <u>Exhibit A</u>.

- 3. On April 27, 1998, the Commission adopted Rule 318A. 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. Rule 318A. 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 drilling of horizontal wells. The Application Lands are subject to this Rule for the Codell Formation.
- 4. Pursuant to Rule 318A., Applicant designated an approximate 320-acre horizontal wellbore spacing unit for the Peppler Farms 1H-4H Well (API No. 05-123-37305) ("Well"), for the production of oil, gas and associated hydrocarbons from the Codell Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive objections to the establishment of the proposed wellbore spacing unit within the 30-day response period.

- 5. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, for the approximate 320-acre established horizontal wellbore spacing unit for the Application Lands, for the development and operation of the Codell Formation.
- 6. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application.
- 7. Further, Applicant requests 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 Well proposed for the Codell Formation, are pooled by operation of statute, pursuant to §34-60-116(6) and (7), C.R.S., and made subject to the cost recovery provisions thereof.
- 8. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, et seq., C.R.S., and the Commission rules.
- 9. That the names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto under <u>Exhibit B</u>. The Applicant shall submit a certificate of service for the Application within the seven days 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:

- A. Pooling all interests in the 320-acre horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, with the pooling order made effective as of the date of this Application.
- B. 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 Well proposed for the Codell Formation, are pooled by operation of statute, pursuant to §34-60-116(6) and (7), C.R.S., and made subject to the cost recovery provisions thereof.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this / day of April, 2014.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC., acting by and through its authorized agent, Encana Services Company, Ltd.

Bv:

Robert A. Willis (Colorado Bar No. 26308)

Jillian Fulcher (Colorado Bar No. 45010

Beatty & Wozniak, P.C. Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

rwillis@bwenergylaw.com jfulcher@bwenergylaw.com

Applicant's Address: Encana Oil & Gas (USA) Inc. Jack Croom, Sr. Land Negotiator 370 17th Street, Suite 1454 Denver, CO 80202

VERIFICATION

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

Jack Croom, Sr. Land Negotiator for Encana Oil & Gas (USA) Inc., 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.

ENCANA OIL & GAS (USA) INC., acting by and through its authorized agent, Encana Services Company Ltd.

Jack Croom

Subscribed and sworn to before me this \(\frac{14}{14} \) day of April, 2014, by Jack Croom, Sr. Land Negotiator for Encana Oil & Gas (USA) Inc.

Witness my hand and official seal.

My commission expires: 10-04-17

ARY PUBLIC
F COLORADO
D 19894002026
N EXPIRES OCT.4, 2017

Notary Public

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (persons who own any interest in the mineral estate underlying the Application Lands, except overriding royalty interest owners) according to the information and belief of the Applicant are set forth in this <u>Exhibit B</u>.

Encana Oil & Gas (USA) Inc. Jack Croom, Sr. Land Negotiator 370 17th Street, Suite 1454 Denver, CO 80202

Wyotex Oil Company P.O. Box 280969 Lakewood, CO 80228

Old West Tours c/o Ken Welshimer 110 E. Center Street, PMB 1989 Madison, SD 57402-2908

B&J Resources, LLC 410 17 Street, Suite 1150 Denver, CO 80202

Triton Energy Holdings, LLC c/o Triton Investment Company 7901 E. Belleview Ave., Ste. 120 Englewood, CO 80111

Wattenberg Investment Group, LLC 154 Vine Street Sun Prairie, WI 53590

Peppler Farms, LLC 4493 Weld County Rd. 36 Platteville, CO 80651

Thomas L. Rea 17890 Weld County Road 5 Berthoud, CO 80513

James E. Brunelle & Patricia L. Brunelle 17550 Weld County Road 5 Berthoud, CO 80513 Robert A. Willis Beatty & Wozniak, P.C. 216 16th Street, Suite 1100 Denver, Colorado 80202

Synergy Resources Corp. 20203 Highway 60 Platteville, CO 80651

NG Resources, LLC 9898 Clairton Way Highlands Ranch, CO 80126

Joe Freeman, LLC 3415 S. Clayton Blvd. Englewood, CO 80113-7611

Omaha Beach, LLC 9981 E. Progress Circle Greenwood Village, CO 80111

Jean L. Baker Trust Antonia Natale, Trustee 17255 County Road 7 Mead, CO 80542

Melinda Kay Wagner 17890 Weld County Road 5 Berthoud, CO 80513

Kay A. Stillman 17554 Weld County Road 5 Berthoud, CO 80513

William W. Brack & Bambi Lynn Brack 17319 County Road 7 Mead, CO 80542 John Minch 1109 N. Taft Ave. Loveland, CO 80537

Vernon Minch, Jr. 2403 Weld County Road 36 Mead, CO 80542

Alejandra Roze 968 Eastwood Drive Golden, CO 80401

Ruth Lawing 1532 Atwood Street Longmont, CO 80501

Henry Minch, Jr. P.O. Box 191 Mead, CO 80542 Kathy Pulver 2830 W. 27th Street Lane, Apt. D103 Greeley, CO 80634-7849

Miles Ray Minch P.O. Box 512 Johnstown, CO 80534

Don Minch & Betty N. Minch 17076 Weld County Road 5 Mead, CO 80513

Alice Mae Lawing 169 Grant Street Longmont, CO 80501

The Jean L. Baker Irrevocable Trust Antonia Natale, Trustee 17255 County Road 7 Mead, CO 80542

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

| IN THE MATTER OF AN APPLICATION BY ENCANA OIL & GAS (USA) INC. FOR AN ORDER POOLING ALL INTERESTS IN THE 320-ACRE DESIGNATED WELLBORE SPACING UNIT LOCATED IN SECTION 4, TOWNSHIP 3 NORTH, RANGE 68 WEST, 6 TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO |) CAUSE NO. 407) DOCKET NO. To be assigned))) | | | |
|--|---|--|--|--|
| AFFIDAVIT OF MAILING | | | | |
| STATE OF COLORADO))ss. | | | | |
| CITY AND COUNTY OF DENVER) | | | | |
| Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares: | | | | |
| That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Encana Oil & Gas (USA) Inc., and on or before April 21, 2014, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application. | | | | |
| Jennifer P | ifels Menger | | | |
| Subscribed and sworn to before me thisd day of April, 2014. | | | | |
| Witness my hand and official seal. | | | | |
| TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026 MY COMMISSION EXPIRES 0CT.4, 2017 Notary Pu | war Altura | | | |