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)	CAUSE NO.
INTERESTS IN AN APPROXIMATE 160-ACRE)	
ESTABLISHED HORIZONTAL WELLBORE SPACING)	DOCKET NO. To be assigned
UNIT LOCATED IN SECTION 31, TOWNSHIP 1)	
NORTH, RANGE 65 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 in the approximate 160-acre horizontal wellbore spacing unit established for a portion of Section 31, Township 1 North, Range 65 West, 6th P.M., for 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 substantial leasehold interests in the below-listed lands:

Township 1 North, Range 65 West, 6th P.M. Section 31: E½W½

Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands" and depicted in <u>Exhibit A</u> attached hereto.

- 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 of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended 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 to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A.
- 4. Pursuant to Rule 318A., Applicant designated an approximate 160-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the Lochbuie 2F-31H well (API No. 05-123-37785) ("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 horizontal 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, in the approximate 160-acre horizontal wellbore spacing unit established 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, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.
- 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. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
- 10. 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) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. 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 approximate 160-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, are pooled by operation of statute, pursuant to §34-60-116(6) & (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 4 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. 26038)
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

Address of Applicant
Encana Oil & Gas (USA) Inc.
ATTN: Salome Bekkedahl
307 17th Street, Suite 1700
Denver, Colorado 80202

VERIFICATION

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

Salome Bekkedahl, Land Negotiator for Encana Oil & Gas (USA) Inc., upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

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

Salome Bekkedahl

Subscribed and sworn to before me this <u>14</u> day of April, 2014, by Salome Bekkedahl, Land Negotiator for Encana Oil & Gas (USA) Inc.

Witness my hand and official seal.

My commission expires: 10-04-17

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION 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 of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this <u>Exhibit B</u>.

Encana Oil & Gas (USA) Inc. 307 17th Street, Suite 1700 Denver, Colorado 80202

Verdad Oil & Gas Corp. 5950 Cedar Springs Road, Suite 200 Dallas, TX 75235

Swan Exploration, LLC 8100 E Maplewood Ave., Suite 240 Greenwood Village, CO 80111

Farmers Reservoir and Irrigation Company 80 South 27th Ave. Brighton, CO 80601

Estates of Frank Dreyer, Jannett Dreyer, JT Route 1, Box 176 Brighton, CO 80601

Estate of Wilma I. Dreyer 7211 North 20th Dr. Phoenix, AZ 85021

Degenhart Minerals, LLC c/o Patricia Murray 21 N. First Ave., Ste. 200 Brighton CO, 80601

Estates of Frank, Jannett Dreyer Route 1, Box 176 Brighton, CO 80601

Stanley W. Dreyer 7414 Spring Village Dr., Apt. 506 Springfield, VA 22150

Kay Dreyer, PR of the Estate of Donald M. Dreyer P.O. Box 503 Brighton, CO 80601

Estate of Wilma I. Dreyer 7211 North 20th Dr. Phoenix, AZ 85021

Beatty & Wozniak, P.C. 216 16th Street, Suite 1100 Denver, Colorado 80202

Linda K. Eppinger 1270 US Highway 183 S. Lometa, TX 76853

Farmers Reservoir and Irrigation Company 80 South 27th Ave. Brighton, CO 80601

Lisa M. Rochelle Fiest PO Box 100 Brighton, CO

Foxpointe Holdings, LLC, c/o Rick Green 40337 CR 13 Elizabeth, CO 80107

Hoovler Ventures, LLC 621 17th Street, Ste. 1425 Denver, CO 80293

Janet A. Jackson 11130 Holly St. Denver, CO 80233

Justin K. Jackson 24495 Weld County Road 18 Keenesburg, CO 80643

Town of Lochbuie 703 Weld County Road 37 Lochbuie, CO 80603

Edward G. Lutz PO Box 100 Brighton, CO

T. E. McClintock T/W fbo Elizabeth M. Nikoloric, Colorado State Bank and Trust, N.A., Trustee P.O. Box 1588 Tulsa, OK 74101 T. E. McClintock T/W fbo Mary M. Swift U.S. Bank, N.A. Trustee P.O. Box 17532 Denver, CO 80217

Perkins Land & Livestock III, LLC P.O. Box 267 Unionville, MO 63565

Robert S. Pirtle P.O. Box 1310 Tyler, TX 75710-1310

Public Service Company of Colorado 1800 Larimer St., Ste. 1400 Denver, CO 80202

The PVH Colorado Family Limited Partnership 1019 8th Street Golden, CO 80401

Cary J. Rochelle PO Box 100 Brighton, CO David J. Rochelle PO Box 100 Brighton, CO

Richard Arthur and Marie Estella Sailas 74 WCR 37 Brighton, CO 80601

Estee A. Sanchez 16100 Cavanaugh Mile Road Keenesburg, CO 80643

Allison L. Sawallesh 9270 E. 107th Place Henderson, CO 80640

Tagawa Greenhouses, Inc. 17999 Weld Co. Rd. #4 Brighton, CO 80601

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 AN APPROXIMATE 160-ACRE ESTABLISHED HORIZONTAL WELLBORE SPACING UNIT LOCATED IN SECTION 31, TOWNSHIP 1 NORTH, RANGE 65 WEST, 6 TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO OCAUSE NO DOCKET NO. To be assigned) CAUSE NO DOCKET NO. To be assigned) COLORADO				
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 Rittenger				
Subscribed and sworn to before me this \(\frac{14}{2} \) day of April, 2014.				
Witness my hand and official seal. TERESA L. PETERSON				
NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026 MY COMMISSION EXPIRES OCT.4, 2017 Notary Public				

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 AN APPROXIMATE 160-ACRE ESTABLISHED HORIZONTAL WELLBORE SPACING UNIT LOCATED IN SECTION 31, TOWNSHIP 1 NORTH, RANGE 65 WEST, 6 TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO)) CAUSE NO. 407)) DOCKET NO. 1406-UP-128))))
SUPPLEMENTAL AFFIDA	AVIT OF MAILING
STATE OF COLORADO)	

Jillian Fulcher of lawful age, and being first duly sworn upon her oath, states and declares:

That she is an attorney for Encana Oil and Gas (USA) Inc. and that on or before May 8, 2014, she caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the following party:

Janet Jackson 6570 County Road 53 Keenesburg, CO 80643

Jillian Fulcher

Subscribed and sworn to before me on May 7, 2014.

Witness my hand and official seal.

JENNIFER PITTENGER
Notary Public
State of Colorado
Notary ID 20134062771
My Commission Expires Sep 27, 2017

CITY AND COUNTY OF DENVER

Nøtary Public