

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

IN THE MATTER OF THE APPLICATION OF APOLLO	)	CAUSE NO. 232 & 407
OPERATING, LLC. FOR AN ORDER TO POOL ALL	)	
INTERESTS IN AN APPROXIMATE 120-ACRE	)	DOCKET NO. 1301-UP-13
WELLBORE SPACING UNIT LOCATED IN SECTIONS	)	
33 AND 34, TOWNSHIP 5 NORTH, RANGE 68 WEST,	)	
6 <sup>TH</sup> P.M. AND SECTION 4, TOWNSHIP 4 NORTH,	)	
RANGE 68 WEST, 6 <sup>TH</sup> P.M., FOR THE CODELL AND	)	
NIOBRARA FORMATIONS, WATTENBERG FIELD,	)	
WELD COUNTY, COLORADO	)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On December 19, 1983 (amended March 29, 2000), the Commission entered Order No. 407-1 which, among other things, established 80-acre drilling and spacing units for certain lands, for the production of oil and/or gas and associated hydrocarbons from the Codell Formation. The units consist of the E½ and W½ or the N½ and S½ of a quarter section with the option to drill a well on each 40-acre tract in the 80-acre unit. Subsequent orders included the Niobrara formation. Rule 2 of said Order 407-1 reads in part, "Said drilling units shall consist of 80-acres, more or less, and consist of the E½ and W½ or the N½ and S½ of a quarter section according to the governmental survey, the unit to be designated by the operator upon drilling the first well in the quarter section." Section 34, Township 5 North, Range 68 West, 6<sup>th</sup> P.M. is subject to this Order for the Codell Formation.

On November 18, 1985, the Commission entered Order No. 407-17, which, among other things, amended Rule 2 of Order No. 407-1. The Commission ordered that "Rule 2. Said drilling units shall consist of 80-acres, more or less, and consist of the E½ and W½ or the N½ And S½ of a quarter section according to the governmental survey, the unit to be designated by the operator upon drilling the first well in the quarter section. Should a unit not be designated by the operator of the first drilled in the quarter section, the Director shall designate a drilling unit for said well and so advise the operator. If within 30 days the operator objects to said designation, [the operator] shall advise the Director and the matter shall be set for hearing before the Commission. The Commission further ordered 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. 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. Exceptions may be granted by the Director, provided owners of the contiguous and cornering units file a waiver or consent in writing, agreeing to said exception. Existing wells producing from the Codell formation and locations shall be considered the permitted wells for the units upon which they are located. Section 34, Township 5 North, Range 68 West, 6<sup>th</sup> P.M. is subject to this Order for the Codell Formation.

On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell/Niobrara Formations underlying certain lands in Adams, Boulder, Jefferson, Larimer, and Weld Counties, established 80-acre drilling and spacing units from only the Codell Formation underlying certain lands in Boulder and Weld counties, and established 80-acre drilling and spacing units for the production or oil and/gas from only the Niobrara Formation underlying certain lands in the Larimer and Weld counties. Section 34, Township 5 North, Range 68 West, 6<sup>th</sup> P.M. is subject to this Order for the Codell, Niobrara and J Sand Formations.

On April 27, 1988, 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. Sections 33 and 34, Township 5 North, Range 68 West, 6<sup>th</sup> P.M. and Section 4, Township 4 North, Range 68 West, 6<sup>th</sup> P.M. are subject to this Order for the Codell, Niobrara and J Sand Formations.

On November 2, 2012, Apollo Operating, LLC ("Apollo" 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 pool all interests in an approximate 120-acre wellbore spacing unit established for the below-described lands ("Application Lands"), for the development and operation of the Codell, Niobrara and J Sand Formations, effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S § 34-60-116(7)(b)(II) were first incurred for the drilling of the Murdock #34SW-BL Well (API No. 05-069-06449) ("Well"), and to subject any nonconsenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7):

Township 4 North, Range 68 West, 6<sup>th</sup> P.M.  
Section 4: NE¼ NE¼

Township 5 North, Range 68 West, 6<sup>th</sup> P.M.

Section 33: SE $\frac{1}{4}$  SE $\frac{1}{4}$

Section 34: SW $\frac{1}{4}$  SW $\frac{1}{4}$

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 Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, January 7, 2013  
Tuesday, January 8, 2013

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.

**In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than December 18, 2012, briefly stating the basis of the protest or intervention.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 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 December 18, 2012.** Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **December 18, 2012, the Applicant may request that an administrative hearing be scheduled beginning December 18, 2012.** In the alternative, pursuant to Rule 511., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By 

Robert J. Frick, Secretary

Dated: December 4, 2012

Colorado Oil and Gas Conservation  
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