

Great Western Operating Company, LLC
Land Testimony – Jason Lowrey
Cause No. 407; Docket No. 190900569
Pooling Application – Niobrara and Codell Formations
Wattenberg Field, Adams County, Colorado

September 2019 Colorado Oil and Gas Conservation Commission Hearing

My name is Jason Lowrey, and I am currently employed as a Senior Landman for Great Western Operating Company, LLC (“Applicant”). I have several years of experience in oil and gas land work and I am familiar with the lands subject to, and matters set forth in, the verified application (“Application”).

In support of Applicant’s Application and my sworn testimony herein, I have prepared the following four (4) exhibits. This testimony and exhibits provide the supporting basis for approval of Applicant’s request for an order to pool all interests within an approximate 640-acre drilling and spacing unit, as defined below, for the drilling of the Ivey LC 02-033HC Well (API No. Pending) and the Ivey LC 02-036HC Well (API No. Pending) (“Wells”), for the development and operation of the Codell and Niobrara Formations on the following described lands:

Township 1 South, Range 68 West, 6th P.M.

Section 2: E½

Section 11: E½

640-acres, more or less, Adams County, Colorado.

Hereinafter “Application Lands”

Exhibit No. 1

Exhibit No. 1 are the Well Location Plats that show the location of the Wells in the Application Lands.

Exhibit No. 2

Exhibit No. 2 is a list of all owners of an oil and gas interest in the tracts to be pooled. In addition to working interest owners and unleased owners, notice of the Application was provided to leased mineral (royalty) owners who do not receive offers to lease or participate under Rule 530. Applicant may subject the non-consenting interests designated on Exhibit 2 to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Wells to the Niobrara and Codell Formations on the Application Lands (“non-consenting parties”).

Exhibit No. 3

Exhibit No. 3 is an example of the election letter sent by Applicant to the working interest owners and unleased mineral owners, if applicable, pursuant to Rule 530 for the Wells. The letter was sent to the last known address (where available) of these parties. The letter offered the parties the opportunity to elect to participate in the drilling and completion operations of the Wells by paying a proportionate share of such costs, elect not to participate in the drilling and completion operations of the Wells or be statutorily pooled. Exhibit No. 3 also includes an offer to lease sent by Applicant to all unleased mineral interest owners pursuant to Rule 530 and C.R.S. 34-60-116 for the Wells. The offer to lease is reasonable and was sent to the last known address (where available) of these unleased parties. Based on reasonable diligence, Applicant has tendered all unleased mineral interest owners within the Application Lands reasonable lease offers at least ninety (90) days prior to the September 25-26, 2019 hearing on the Application. The lease offers were made in good faith and in accordance with the requirements of Rule 530 when taking into account: 1) the date of lease and primary term or offer with acreage in lease; 2) the annual rental per acre; 3) bonus payment or evidence of its non-availability; and 4) mineral interest royalty. Accordingly, the requirement to make a good faith lease offer pursuant to § 34-60-116(7)(d)(I), C.R.S has been met.

Exhibit No. 4

Exhibit No. 4 is a copy of the Authority for Expenditure (“AFEs”) for the Wells. It was sent by Applicant to the working interest owners and unleased owners pursuant to Rule 530. The AFEs are a fair and reasonable estimate of the costs of the drilling and completion operation of the Wells.

Based upon examination of relevant contracts and records, all owners of an oil and gas interest in the tract to be pooled (who could be located by Applicant) received timely notice of the Application. Additionally, at least ninety (90) days will have elapsed prior to the hearing on this matter since all information required by Rule 530 was provided to those interested parties entitled to offers to lease and/or participate in the Wells, with the terms of such offers to lease and/or participate containing a sixty (60) day election period. Finally, Applicant has included the Commission’s pooling brochure in the offers to participate in compliance with Rule 530.d. As of the date of this testimony, Applicant has not received any notice of objection or protest to the Application.

Accordingly, Applicant requests that its Application be approved without the necessity of a hearing, that all nonconsenting interests be subject to the cost recovery provisions of §34-60-116(7), C.R.S., for the drilling of the Wells in the Application Lands, effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Wells to the Niobrara and Codell Formations in the Application Lands.

