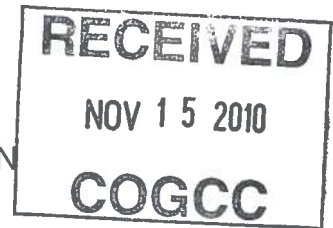




BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO



IN THE MATTER OF THE APPLICATION OF )  
EAST CHEYENNE GAS STORAGE, LLC FOR )  
AUTHORITY TO UNITIZE CERTAIN PORTIONS )  
OF THE J-SAND FORMATION IN THE PEETZ )  
WEST FIELD, LOGAN COUNTY, COLORADO )  
FOR ENHANCED RECOVERY OPERATIONS )

CAUSE NO. 5-1

DOCKET No. 1011-UP-59

ORIGINAL

**REQUEST FOR APPROVAL OF UNCONTESTED APPLICATION (J-SAND)**

East Cheyenne Gas Storage, LLC (the "Applicant") requests that this uncontested matter be recommended for approval on the Commission's consent agenda as permitted by C.R.S. § 34-60-108(7) and COGCC Rule 511.

**BACKGROUND AND STATUS OF THE APPLICATION**

1. On October 6, 2010, the Applicant filed a verified application (the "J Sand Application") requesting that the Commission amend its prior Order issued in this cause to reflect that the Applicant has now obtained the approval and consent of 80 percent or more of the royalty interest owners in a proposed unit being created to conduct enhanced recovery and other operations in the following lands in the J Sand Formation in the Peetz West Field, Logan County, Colorado:

Township 11 North, Range 52 West, 6th P.M.

Section 6: Lots 1, 2, 3, 4, 5, 6, and 7 and the S $\frac{1}{2}$  NE $\frac{1}{4}$ , the E $\frac{1}{2}$  SW $\frac{1}{4}$ , the SE $\frac{1}{4}$  NW $\frac{1}{4}$ , and the SE $\frac{1}{4}$

Township 12 North, Range 52 West, 6th P.M.

Section 31: Lots 3 and 4 and the SE $\frac{1}{4}$ , and the E $\frac{1}{2}$  SW $\frac{1}{4}$

Township 11 North, Range 53 West, 6th P.M.

Section 1: Lot 1, SE $\frac{1}{4}$  NE $\frac{1}{4}$

Township 12 North, Range 53 West, 6th P.M.

Section 36: E $\frac{1}{2}$  SE $\frac{1}{4}$

The Applicant asks that the unit be approved effective November 29, 2010.

2. The J-Sand Application has been set for hearing on the Commission's docket on November 29 and 30, 2010, in Denver, Colorado. Notice has been given to interested persons as required by Commission rules.

3. The deadline for protests and motions to intervene in this proceeding was November 12, 2010. No protests have been received by counsel for the Applicant.

4. Submitted with this request (which also is being submitted in editable form) are the following documents required by Rule 511.d:

- a. A written affidavit and summary of testimony of Arlen J. Hershberger (which is also being submitted in editable form);
- b. A draft proposed order (also submitted in editable form); and
- c. Two sets of exhibits.

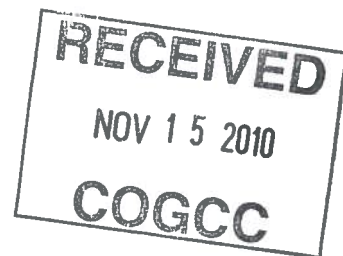
Respectfully submitted on November 15, 2010.

BJORK LINDLEY LITTLE PC

By: /s/ David R. Little  
David R. Little, #13340  
Bjork Lindley Little PC  
1600 Stout Street, Suite 1400  
Denver, CO 80202  
Telephone: 303-892-1400  
Facsimile: 303-892-1401  
[dlittle@bjorklindley.com](mailto:dlittle@bjorklindley.com)

Applicant's Address:

East Cheyenne Gas Storage, LLC  
10901 W. Toller Drive, Suite 200  
Littleton, CO 80127



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

IN THE MATTER OF THE APPLICATION OF EAST )  
CHEYENNE GAS STORAGE, LLC FOR AUTHORITY TO ) Cause No. 5-1  
UNITIZE CERTAIN PORTIONS OF THE J-SAND )  
FORMATION IN THE PEETZ WEST FIELD, LOGAN ) Docket No. 1011-UP-59  
COUNTY, COLORADO FOR ENHANCED RECOVERY )  
OPERATIONS )

ORIGINAL

**AFFIDAVIT AND SUMMARY OF TESTIMONY OF ARLEN J. HERSHBERGER**

East Cheyenne Gas Storage, LLC (the "Applicant"), through its attorneys, submits the following affidavit and summary of testimony in support of its Verified Application to Update and Amend Order Issued in Cause No. 5-1 filed October 6, 2010.

1. I am a professional landman and an expert in oil and gas land issues. The Applicant has contracted with me to manage land issues relating to this enhanced recovery and gas storage project. My resume marked as Exhibit 21 summarizes my qualifications and experience. I have personal knowledge of the facts presented in this Affidavit and Summary.

2. Applicant is a limited liability company organized and existing under the laws of Delaware. It is authorized to do business in Colorado and is registered as an oil and gas operator with the Commission.

3. Applicant is a working interest owner, operates wells in lands included within the area sought to be unitized, and will operate the proposed enhanced recovery units and the gas storage project. Applicant is an interested party and has a right to bring this Application as required by Rules 401.b and 503.b(3).

4. On June 29, 2010, but effective June 1, 2010, the Commission issued an Order in Cause No. 5-1 approving the unitization of the following lands in the J-Sand Formation for enhanced recovery operations in the existing Peetz West Field, Logan County, Colorado:

Township 11 North, Range 52 West, 6th P.M.

Section 6: Lots 1, 2, 3, 4, 5, 6 and 7, and the S $\frac{1}{2}$  NE $\frac{1}{4}$ , the E $\frac{1}{2}$  SW $\frac{1}{4}$ , the SE $\frac{1}{4}$  NW $\frac{1}{4}$ , and the SE $\frac{1}{4}$

Township 12 North, Range 52 West, 6th P.M.

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Section 1: Lot 1, and the SE $\frac{1}{4}$  NE $\frac{1}{4}$

Township 12 North, Range 53 West, 6th P.M.

Section 36: E $\frac{1}{2}$  SE $\frac{1}{4}$

(the "J-Sand Application Lands").

5. I have reviewed and studied the Logan County property records for the J-Sand Application Lands. The names and last known addresses of interested parties as defined in Rule 507.b(1) and (3), the Colorado Department of Public Health and Environment, the Colorado Division of Wildlife and the local governmental designee for Logan County, Colorado are listed in the attached Exhibit 19.

6. The Order issued in Cause No. 5-1 stated that it "shall become effective, as provided by law, upon further Order of the Commission following a demonstration by the Applicant that 80 percent or more of the royalty interest owners have approved and consented to the proposed unit."

7. Applicant has now obtained the written approval and consent of 80 percent or more of the royalty interest owners in the J-Sand Application Lands as required by the Order issued in Cause No. 5-1.

8. Exhibit 22 is a spreadsheet I prepared listing the owners of royalty interests in the J-Sand Application lands, their respective percentage ownership interest in the J-Sand Application lands, and whether they have approved and consented to the proposed enhanced recovery unit. As reflected in Exhibit 22, 81.28478 percent of the royalty interest owners have approved and consented to the proposed J-Sand Unit.

9. Exhibit 23 is Exhibit D from the Unit Operating Agreement of the West Peetz J Sand Unit Area. As reflected in Exhibit 23, 94.75 percent of the working interest is owned by the Applicant. The

Applicant approved and consented to the proposed J-Sand Unit at the time it filed the application requesting the Order in Cause No. 5-1 and it continues to approve and consent. The Applicant shall operate the Unit.

10. Submitted as Exhibit 24 is one set of the original executed consent documents signed by those owners in the J-Sand Application lands listed in Exhibits 22 and 23. These executed copies were collected at my direction by Timothy Woodroof of Unit Source, Inc.

Submitted this 12<sup>th</sup> day of November, 2010.

  
Arlen J. Hershberger

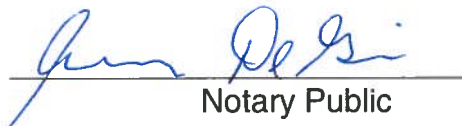
STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER        )

Subscribed and sworn to before me by Arlen J. Hershberger this 12<sup>th</sup> day of November, 2010.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_



  
Notary Public