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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 D-2 SAND FORMATION IN THE PEETZ)
WEST FIELD, LOGAN COUNTY, COLORADO)
FOR ENHANCED RECOVERY OPERATIONS)

CAUSE NO. 5-2
DOCKET No. 1011-UP-60

ORIGINAL

REQUEST FOR APPROVAL OF UNCONTESTED APPLICATION (D-2 SAND)

East Cheyenne Gas Storage, LLC (the "Applicant") hereby 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 "D-2 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 D-2 Sand Formation in the Peetz West Field, Logan County, Colorado:

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

- Section 5: Lot 4 and the SW¹/₄ NW¹/₄ and the NW¹/₄ SW¹/₄
- Section 6: Lots 1, 2, 3, 4, 5, 6, and 7 and the S¹/₂ NE¹/₄, the E¹/₂ SW¹/₄, the SE¹/₄ NW¹/₄, and the SE¹/₄
- Section 7: Lot 1 and the N¹/₂ NE¹/₄ and the NE¹/₄ NW¹/₄

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

- Section 31: Lots 2, 3 and 4 and the SE¹/₄ NW¹/₄, the SE¹/₄, and the E¹/₄ SW¹/₄

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

- Section 36: SE¹/₄ NE¹/₄ and the E¹/₂ SE¹/₄

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

2. The D-2 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 Arlen J. Hershberger testimony (which is also being submitted in editable form);
- b. A draft proposed order (also submitted in editable form); and
- c. Two sets of exhibits.

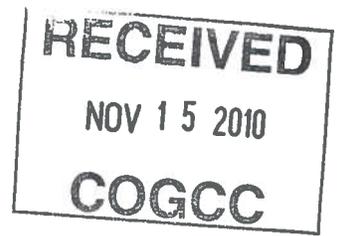
Respectfully submitted on November 15, 2010.

BJORK LINDLEY LITTLE PC

By: /s/ David R. Little
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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. 5-2
UNITIZE CERTAIN PORTIONS OF THE D-2 SAND)
FORMATION IN THE PEETZ WEST FIELD, LOGAN) Docket No. 1011-UP-60
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. 5-2 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 25 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. 5-2 approving the unitization of the following lands in the D-2 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 5: Lot 4 and the SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the NW $\frac{1}{4}$ SW $\frac{1}{4}$
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 $\frac{1}{4}$
Section 7: Lot 1 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ NW $\frac{1}{4}$

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

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

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

- Section 36: SE $\frac{1}{4}$ NE $\frac{1}{4}$ and the E $\frac{1}{2}$ SE $\frac{1}{4}$

(the "D-2 Application Lands").

5. I have reviewed and studied the Logan County property records for the D-2 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 20.

6. The Order issued in Cause No. 5-2 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 D-2 Application Lands as required by the Order issued in Cause No. 5-2.

8. Exhibit 26 is a spreadsheet I prepared listing the owners of royalty interests in the D-2 Sand Application Lands, their respective percentage ownership interest in the D-2 Sand Application Lands, and whether they have approved and consented to the proposed enhanced recovery unit. As reflected in Exhibit 26, 82.10473 percent of the royalty interest owners have approved and consented to the proposed D-2 Sand Unit.

9. Exhibit 27 is Exhibit D from the Unit Operating Agreement of the West Peetz D-2 Sand Unit Area. As reflected in Exhibit 27, 90 percent of the working interest is owned by the Applicant. The

