



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

IN THE MATTER OF THE PROMULGATION AND)  
ESTABLISHMENT OF AN EXPLORATORY UNIT )  
TO GOVERN OPERATIONS IN AN UNNAMED )  
AREA, LARIMER COUNTY, COLORADO )

CAUSE NO. 1  
ORDER NO. 1-139

REPORT OF THE COMMISSION

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

This cause came on for hearing before the Commission on December 21, 1992 at 8:30 a.m., in Room 101, State Education Building, 201 East Colfax, Denver, Colorado, after giving Notice of Hearing as required by law, on the application of Bright & Company for an order to establish an exploratory unit for production from the Niobrara Formation for a 640-acre drilling and spacing unit in Larimer County, for production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying said unit.

FINDINGS

The Commission finds as follows:

1. Bright & Company, as applicant herein, is an interested party in the subject matter of the above-referenced hearing.
2. Due notice of the time, place and purpose of the hearing has been given in all respects as required by law.
3. The Commission has jurisdiction over the subject matter embraced in said Notice, and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.
4. C.R.S. 34-60-116.(2), among other things, authorized the Commission, when unable to determine the existence of a pool and the appropriate acreage to be embraced with a drilling unit, to establish the existence of a pool and the appropriate size and shape of the drilling unit to be applied.
5. Bright & Company proposes to drill a horizontal well at a location yet to be finalized, but whose surface location would be in Section 23, Township 6 North, Range 68 West, 6th P.M., with the bottom hole location in Section 24, Township 6 North, Range 68 West, 6th P.M. and therefore wishes to establish the below-listed lands as an exploratory unit for production of oil, gas and associated hydrocarbons from the Niobrara Formation:

Township 6 North, Range 68 West, 6th P.M.

- Section 13: W1/2 SW1/4
- Section 14: SE1/4, E1/2 SW1/4
- Section 23: NE1/4, E1/2 NW1/4
- Section 24: W1/2 NW1/4

6. Based on the facts stated in the verified application, having received a protest from Poudre Valley Rural Electric Association, Windsor Investment, Ltd., Highland Farms Partnership, Highland Farms, Inc., City of Fort Collins and Charles Frye, withdrawn prior to the administrative hearing, and having received inquiries from Mr. and Mrs. Darrell Johnston, and having been heard by the Director as Hearing Officer on December 18, 1992 in the Johnstons' presence, the Hearing Officer recommends that the Commission should enter an order establishing an exploratory unit for the above-described lands in Township 6 North, Range 68 West, 6th P.M., Larimer County, Colorado for production from the Niobrara Formation underlying said unit.

7. The Hearing Officer further recommended that the conditions described in the written report of the Hearing Officer be included at the time of approval of the Application for Permit-To-Drill for this well.

8. At the time of administrative hearing the parties agreed to be bound by the verbal order of the Commission in this matter.

O R D E R

NOW, THEREFORE IT IS ORDERED, that, 1. Pursuant to the provisions of 34-60-116, C.R.S., 1991, as amended, of the Oil and Gas Conservation Act of the State of Colorado, an order to establish an exploratory unit for production from the Niobrara Formation for the below-listed lands is hereby granted.

Township 6 North, Range 68 West, 6th P.M.

Section 13: W1/2 SW1/4  
Section 14: SE1/4, E1/2 SW1/4  
Section 23: NE1/4, E1/2 NW1/4  
Section 24: W1/2 NW1/4

IT IS FURTHER ORDERED, that Bright & Company is hereby designated as operator of the exploratory unit.

IT IS FURTHER ORDERED, that the provisions contained in the above order shall become effective forthwith.

IT IS FURTHER ORDERED, that the Commission expressly reserves its right, after notice and hearing, to alter, amend or repeal any and/or all of the above orders.

ENTERED this - 12<sup>th</sup> day of January, 1993, as of December 21, 1992.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By Patricia C. Beaver  
Patricia C. Beaver, Secretary

Dated at Suite 380  
1580 Logan Street  
Denver, Colorado 80203  
January 4, 1993