

DEC 06 2013

LEGAL SECTION

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Application of Cholla)
Production, LLC for an Order Permitting the) Docket No. 14-CONS-364-CHOR
Drilling of a Horizontal Well in the Pawnee)
Formation, pursuant to K.A.R. 82-3-103a,) License No. 31819
Upon Certain Lands Located in Trego)
County, KS) Conservation Division

APPLICATION

Comes now the Applicant, Cholla Production, LLC ("Cholla"), and for its Application pursuant to K.A.R. 82-3-103a, states as follows:

1. Applicant is a Colorado limited liability company engaged in the business of oil and gas exploration and production, with its business office located at 10390 Bradford Road, Suite 201, Littleton, Colorado, 80127.
2. Applicant holds Operator License Number 31819, issued by the Commission.
3. Applicant is the operator and owner of an oil and gas lease covering the following described lands in Trego County, Kansas, to wit: West half of Section 33-T11s-R33W ("Subject Acreage").
4. Applicant intends to drill a horizontal well on the Subject Acreage to be known as the Kohl #1-33H (the "Well"). The target producing formation for this well is the Pawnee formation. Surface pipe for said well will be set in the SE/4 SW/4, at approximately 75' from the South line and 2260' from the West line, of Section 33-11S-R22W. The well will be drilled directionally from a kick off point at approximately 3000', and will not contact the target Pawnee formation until the wellbore is at a point that is not less than 330' from the nearest lease boundary and will be at a legal location. The projected true vertical depth of said well will be approximately 3990' at the end of the horizontal section. The Bottom Hole Location will be located in the NE/4 NW/4, at approximately 2260' from the West line and 330' from the North line, of Section 33-11S-R22W. The Kohl #1-33H will not be located less than 330' from any unit boundary at its point of entry into the Pawnee formation, along its lateral or horizontal section, or at its final bottom hole location.

5. The Well will be drilled, completed, operated and produced in accordance with Commission rules and regulations for the production of oil and natural gas. The drilling of said well is necessary to develop and produce hydrocarbon resources underlying the Subject Acreage. Granting of this Application therefore will not cause waste or violate the correlative rights of any interested party.
6. Attached hereto as Exhibit A is a plat showing the property on which the Well will be located, the intended surface and subsurface location of said well, and the location of all other wells within one-half mile of the proposed well.
7. According to a search of the public record, the name and address of each operator or lessee of record within a one-half (1/2) mile radius of the Well, is:

T.H.McElvain Oil & Gas LLLP
1050 17th St., #2500
Denver, CO 80265-2080

Kanoco LLC
1515 Wynkoop St.
Suite 700
Denver, CO 80202

Charter Energy, Inc.
PO Box 252
Great Bend, KS 67530

Liberty Energy Holdings, LLC
175 Berkeley Street
Boston, MA 02116

SPEC Oil & Royalty, Inc.
3202 Broadway
Great Bend, KS 67530

Rock Creek Energy, LLC
700 17th Street, Suite 2500
Denver, CO 80265

Rupe Oil Company, Inc.
PO Box 783010
Wichita, KS 67207

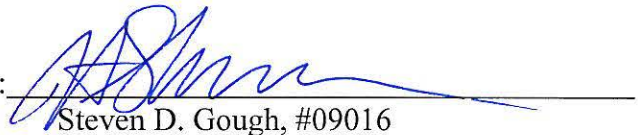
8. According to a search of the public record, there is no unleased mineral owner of record within a one-half (1/2) mile radius of the well.
9. Applicant has caused a copy of this Application to be mailed or delivered to each person entitled to receipt of the same, and will publish notice of this Application in the form appended hereto as Exhibit B in at least one issue of the official county newspaper of Trego County, the *Western Kansas World*, Kansas and at least one issue of *The Wichita Eagle* newspaper, in accordance with the notice requirements of K.A.R. 82-3-135a.

WHEREFORE, Applicant prays that its Application be granted administratively, without a hearing, and that the Commission issue its order authorizing horizontal drilling the Well in

accordance with the terms hereof, but if timely and proper protest is received, that the Commission set this matter for hearing and upon such hearing issue the requested order, and that the Commission grant to the Applicant such other and further relief as the Commission may deem just and proper.

Respectfully submitted,

By:



Steven D. Gough, #09016

Joseph A. Schremmer, #25968

WITHERS, GOUGH, PIKE, PFAFF & PETERSON, LLC

O.W. Garvey Building,

200 W. Douglas, Suite 1010

Wichita, KS 67202

Attorneys for Applicant

VERIFICATION

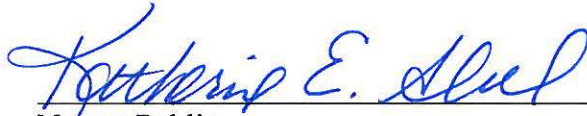
STATE OF KANSAS }
} **ss.**
COUNTY OF SEDGWICK }

Joseph A. Schremmer, of lawful age, and being first duly sworn upon oath, deposes and says: that he is an attorney for Cholla Production, LLC; that he has read the within and foregoing Application; and the statements and contents thereof are true to the best of his knowledge and belief.

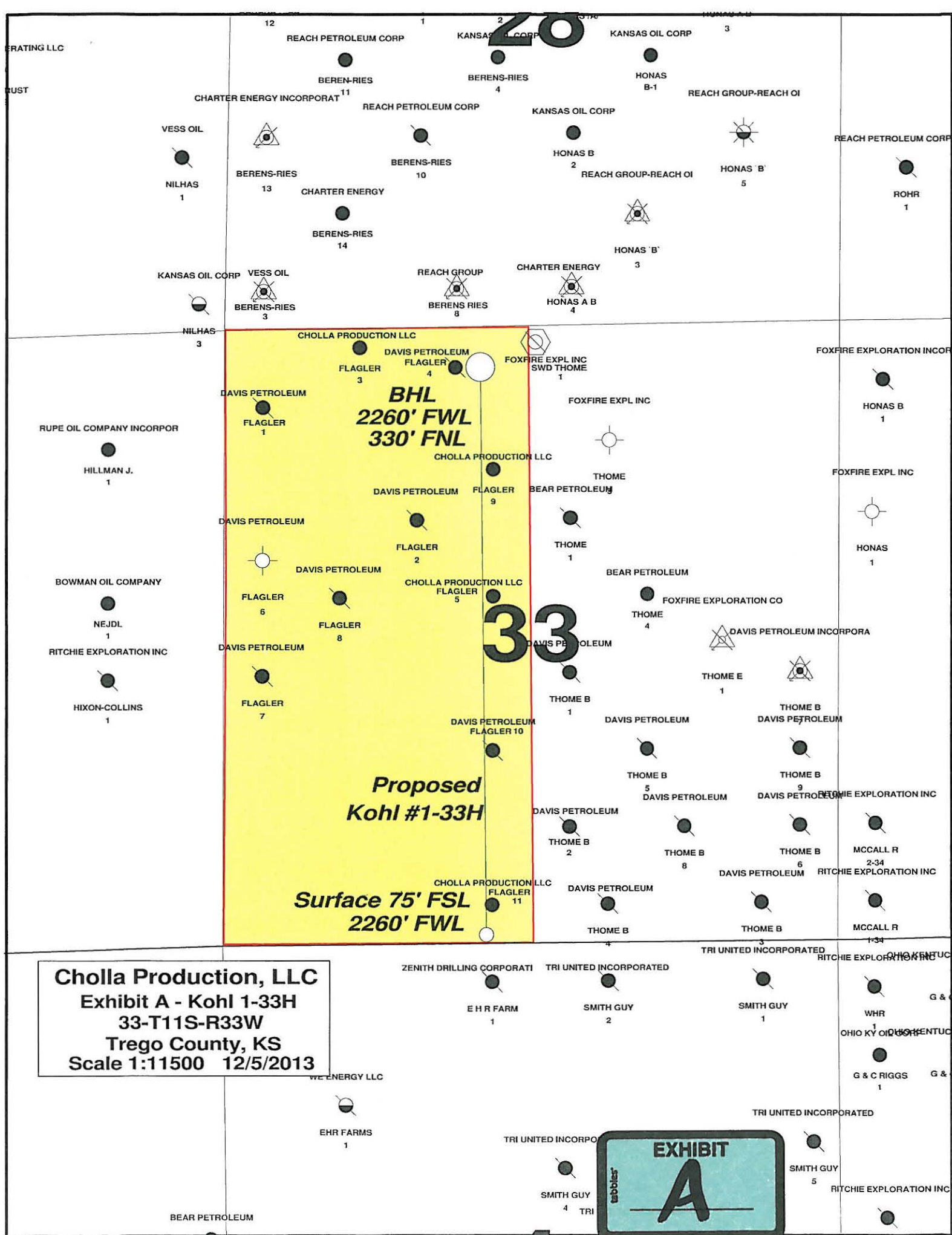
By: 
Joseph A. Schremmer

Subscribed and sworn to before me on December 6, 2013.




Notary Public
Katherine E. Abel
Printed Name

My Commission Expires:
June 30, 2014



**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Application of Cholla)
Production, LLC for an Order Permitting the) Docket No. 14-CONS-364-CHOR
Drilling of a Horizontal Well in the Pawnee)
Formation, pursuant to K.A.R. 82-3-103a,) License No. 31819
Upon Certain Lands Located in Trego)
County, KS) Conservation Division

NOTICE OF APPLICATION AND HEARING

TO: All Oil and Gas Producers, Purchasers, Royalty Owners, Landowners, and all other persons whomsoever concerned.

YOU, and each of you, are hereby notified that Cholla Production, LLC, has filed with the State Corporation Commission of the State of Kansas an Application pursuant to K.A.R. 82-3-103a, for authority to drill its Kohl #1-33H horizontal well to test the Pawnee formation as it underlies the following described lands in Trego County, Kansas:

West half of Section 33, in T11S-R22W, Trego County, Kansas, containing 320 acres, more or less which well will be drilled at a surface location in the SE/4 SW/4, at approximately 75 feet from the South line and 2260 feet from the West line, of Section 33 and a bottom hole location located in the NE/4 NW/4, at approximately 2260 feet from the West line and 330 from the North line, of Section 33. Said well will not be located less than 330 feet from any unit boundary at its point of entry into the Pawnee formation, along its lateral or horizontal section, or at its final bottom hole location.

The application is pending before the Commission and will be granted within fifteen (15) days from publication of this notice without hearing unless a written protest is received by the Conservation Division within said fifteen-day period. Any protests to the Application must be written and should clearly state the grounds of objection. The written protest should be mailed to the State Corporation Commission, Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, Kansas 67202.

If a written protest is filed with the Commission within fifteen (15) days from the date of publication of this notice, this matter will be set for hearing on January 17, 2014, at 10:00 a.m., or as soon thereafter as it may be reached at the Commission Hearing Room, Kansas Corporation Commission, 130 S. Market, Room 2078, Wichita, Kansas 67202-3802. The time, date and location of this hearing may be revised without further notice.

All persons interested or otherwise concerned shall take notice of the foregoing and govern themselves accordingly.

Steven D. Gough, #09016
Joseph A. Schremmer, #25968
WITHERS, GOUGH, PIKE, PFAFF & PETERSON, LLC
O.W. Garvey Building,
200 W. Douglas, Suite 1010
Wichita, KS 67202
Attorneys for Applicant

