

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

IN THE MATTER OF THE VERIFIED APPLICATION OF SINGLETREE RESOURCES FOR AN ORDER ESTABLISHING A 160 ACRE DRILLING AND SPACING UNIT AND WELL LOCATION, DENSITY AND SETBACK RULES FOR THE DRILLING OF UP TO TWO VERTICAL WELLS IN THE "D" SAND FORMATION AND "J" SAND FORMATION, UNDERLYING TOWNSHIP 11 NORTH, RANGE 54 WEST, 6TH P.M.: SECTION 34, SW¼; LOGAN COUNTY, COLORADO; AND POOLING ALL NONCONSENTING OWNERS THEREIN	CAUSE NO: ORDER NO: DOCKET NO:
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VERIFIED APPLICATION

COMES NOW the Applicant, SingleTree Resources, by and through its attorneys, Poulson, Odell & Peterson, LLC, and files its application with the Oil and Gas Conservation Commission of the State of Colorado for an Order establishing a 160 acre drilling and spacing unit and establishing subsurface well location, density and setback rules applicable to the drilling and producing of oil, gas and associated hydrocarbons from the "D" Sand Formation and/or "J" Sand Formation underlying the below described lands in Logan County, Colorado; and pooling all nonconsenting owners therein. In support thereof, Applicant states as follows:

1. That Applicant is a company duly authorized to conduct business in the State of Colorado.

2. The Applicant desires to create a 160 acre drilling and spacing unit, and subsurface well location and setback rules, for the drilling of up two vertical wells to the "D" Sand Formation and "J" Sand Formation, in such drilling and spacing unit in the following described lands located in Logan County, Colorado:

Township 11 North, Range 54 West, 6th P.M.
Section 34: SW¼

(the "Application Lands").

3. That Applicant owns leasehold interests in all or part of the Application Lands. A reference map is attached as Exhibit "B".

REQUEST FOR SPACING AND INCREASED DENSITY

4. The Application Lands, as to the applicable formations, are unspaced and subject to Commission Rule 318.a. which requires that wells drilled in excess of two thousand five hundred (2,500) feet in depth be located not less than six hundred (600) feet from the lease line, and located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

5. As to the Application Lands, geological studies, and geological and/or engineering information obtained in the drilling and producing of wells located in the general area, demonstrate that up to two vertical wells drilled to the "D" Sand Formation and/or "J" Sand Formation may produce oil, gas and associated hydrocarbons in economic volumes.

6. Applicant requests an order from the Commission which establishes a 160 acre drilling and spacing unit, and subsurface well location and setback rules, for the drilling of up to two vertical wells to the "D" Sand Formation and/or "J" Sand Formation, in such drilling and spacing unit in the Application Lands.

7. Applicant further requests an order from the Commission establishing, consistent with Commission Rule 318.a., the following setbacks and well location rules:

(a) That the surface location may be located anywhere on the drilling and spacing unit; and,

(b) That the treated interval of the wellbore be located no closer than six hundred (600) feet from the boundary of the drilling and spacing unit.

(c) Drilled wells shall not be less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply

8. Applicant alleges and believes that the granting of this Application will prevent waste, protect correlative rights, and assure the greatest ultimate recovery of hydrocarbons from the reservoir. Moreover, the proposed drilling and spacing unit is no smaller than the maximum area that can be economically and efficiently drained by up to two vertical wells in the proposed drilling and spacing unit.

REQUEST TO POOL NONCONSENTING OWNERS

9. Applicant has so far been unable to obtain 100% consent to voluntary pooling by all net revenue interests owners in the Application Lands. As a result, it is necessary and proper for Applicant to request that the interests of those net revenue interest owners which have not agreed to such voluntary pooling be involuntarily pooled pursuant to C.R.S. § 34-60-116 of the Colorado Oil and Gas Conservation Act.

10. That with respect to those net revenue interest owners which would participate in production from the anticipated well or wells, Applicant has made, will make, and/or continues to make reasonable attempts pursuant to Commission Rule 530.b. to enter into leases with such parties or to obtain their participation in the proposed well or wells, but has so far been unsuccessful in such attempts. As of the date hereof, those owners either elected not to participate in such drilling and completion, or to lease their interests, or have not responded to the correspondence from Applicant making such offers.

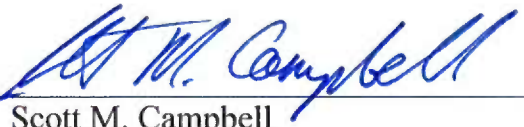
11. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all mineral interests or working interests owned by those owners should be pooled in accordance with C.R.S. § 34-60-116 and Commission Rule 530, as to all wells drilled or to be drilled to the "D" Sand Formation and/or "J" Sand Formation in the Application Lands.

12. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof, first-class postage prepaid, to the last known mailing address of the interested parties. Applicant shall simultaneously submit said list of interested parties to the Commission via electronic mail.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in October, 2012, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

DATED: July 31, 2012.

SINGLETREE RESOURCES

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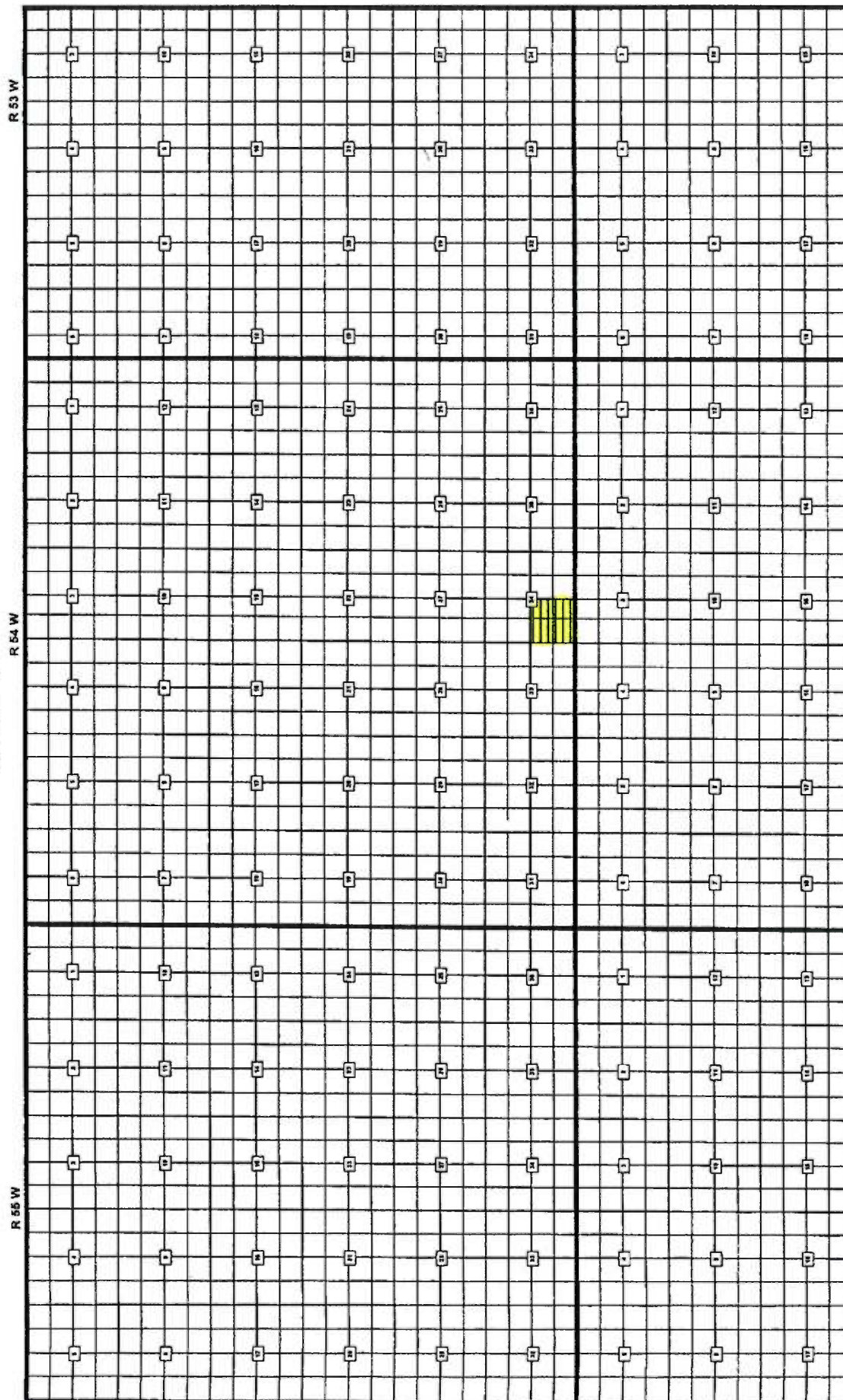
Colorado
STATE OF WYOMING)
)
COUNTY OF Jefferson) ss.

SINGLETREE RESOURCES

My commission expires: 1-15-2014



EXHIBIT "B"



Legend
Spacing/Density/Pooling



August, 2012 Application for Spacing/Density/Pooling
D' Sand and 'J' Sand
T11N-R54W, 6th P.M.
Section 34: SW/4
Logan County, Colorado

SingleTree Resources, Inc.
CO & G Commission
Spacing/Density/Pooling Application
'D' Sand and 'J' Sand
Logan County, Colorado

COLORADO

Key Map