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

IN THE MATTER OF AN APPLICATION BY EE3 LLC FOR)	
AN ORDER AUTHORIZING ADDITIONAL WELLS IN THE)	CAUSE NO
640-ACRE DRILLING AND SPACING UNIT TO BE)	
ESTABLISHED FOR SECTION 32, TOWNSHIP 8 NORTH,		DOCKET NO. To be assigned
RANGE 80 WEST, 6 TH P.M., FOR PRODUCTION FROM THE)	Ţ.
NIOBRARA FORMATION, UNNAMED FIELD, JACKSON)	
COUNTY, COLORADO)	

APPLICATION

EE3 LLC ("EE3" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order authorizing the drilling of an additional two (2) horizontal wells, for a total of three (3) horizontal wells, in the approximate 640-acre drilling and spacing unit to be established for Section 32, Township 8 North, Range 80 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation. In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
 - 2. Applicant owns majority leasehold interests in the below-listed lands:

Township 8 North, Range 80 West, 6th P.M. Section 32: All

These lands are hereinafter referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit B.

- 3. On or about April 17, 2014, Applicant requested the Commission establish the Application Lands as an approximate 640-acre drilling and spacing unit for the Niobrara Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. Further, Applicant requested it be authorized to drill and complete one horizontal well in the approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.
- 4. As of the date of this Application, Applicant's request to establish the Application Lands as an approximate 640-acre drilling and spacing unit for the Niobrara Formation is pending approval of the Commission.
- 5. Pursuant to §34-60-116(4), C.R.S., Applicant requests the Commission enter an order authorizing up to two (2) additional horizontal wells, for a total of up to three (3) horizontal wells, for the approximate 640-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 6. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 600 feet from the unit boundaries, with an inter-well setback of not less than 300 feet from the treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

- 7. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.
- 8. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to being bound by said oral order.
- 9. That the names and addresses of the interested parties (owners within the proposed drilling unit) according to the information and belief of the Applicant are set forth in Exhibit A attached hereto. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order:

- A. Authorizing the drilling of an additional two (2) horizontal wells, for a total up to three (3) horizontal wells, in the approximate 640-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 600 feet from the outer boundary of the proposed unit and not less than 300 feet from the treated interval of any well being drilled or producing from the Niobrara Formation, without exception being granted by the Director.
- B. Requiring that any permitted wells to be drilled under this Application should be drilled from multi-well pads on the surface of the drilling unit, or on adjacent lands with consent of the landowner, without exception being granted by the Director.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 29 day of May, 2014.

Respectfully submitted,

EE3 LLC

By:

Robert A. Willis (Colorado Bar No. 26308) Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C. Attorneys for Applicant 216 16th Street, Suite 1100 Denver, Colorado 80202 (303) 407-4499

rwillis@bwenergylaw.com jfulcher@bwenergylaw.com

Applicant's Address:

EE3 LLC Douglas C. Sandridge, Vice President - Land 4410 Arapahoe Avenue, Suite 100 Boulder, CO 80303

VERIFICATION

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

Douglas C. Sandridge, Vice President of Land for EE3 LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

EE3 LLC

Douglas C. Sandridge

Subscribed and sworn to before me this 18th day of May, 2014, by Douglas C. Sandridge, Vice President of Land for EE3 LLC.

Witness my hand and official seal.

My commission expires: 06.04.201 6

Notary Public

EXHIBIT A

INTERESTED PARTIES

The names and addresses of the interested parties (owners within the proposed unit) according to the information and belief of the Applicant are set forth in this <u>Exhibit A</u>.

EE3 LLC 4410 Arapahoe Avenue, Suite 100 Boulder, CO 80303

Grizzly Land, LLC P.O. Box 670 Windsor, CO 80550

Ben R. Houston 9053 County Road #34 Platteville, CO 80651

Haymeadow Properties, Inc. Attn: Gladys Levis Pilz 2262 Ella Ct. Louisville, CO 80027-2375

Aristocrat Land & Cattle Company, Inc. Attn: Ben R. Houston 9053 County Road 34

Platteville, CO 80657

Michael Warren, Energy Liaison Colorado Parks and Wildlife Northwest Regional Office 711 Independent Avenue Grand Junction, CO 81505

Wm Kent Crowder Jackson County Administrator PO Box 1019 Walden, CO 80480 Robert A. Willis Beatty & Wozniak, P.C. 216 16th Street, Suite 1100 Denver, Colorado 80202

Boyer Ridge Land, LLC 27680 Beaver Ridge Road Steamboat Springs, CO 80487

Aristocrat Land & Cattle Company, Inc. Attn: Skylar V. Houston 16465 County Road 17 Platteville, CO 80651

Kohlman's O.K. Limited Partnership 21536 State Highway 14 Walden, CO 80480

Haymeadow Properties, Inc. c/o Mark Sadow 7701 Clayton Road St. Louis, MO 63117

Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

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

IN THE MATTER OF AN APPLICATION BY AN ORDER AUTHORIZING ADDITIONAL V 640-ACRE DRILLING AND SPACING UNIT ESTABLISHED FOR SECTION 32, TOWNSH RANGE 80 WEST, 6 TH P.M., FOR PRODUCTI NIOBRARA FORMATION, UNNAMED FIEL COUNTY, COLORADO	WELLS IN THE TO BE IIP 8 NORTH, ION FROM THE))))))	CAUSE NO DOCKET NO. To be assigned			
AFFIDAVIT OF MAILING						
STATE OF COLORADO))ss.					
CITY AND COUNTY OF DENVER)					
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:						
That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for EE3 LLC, and on or before June 5. 2014, caused a copy of the attached Application to be deposited in the United States Mail postage prepaid, addressed to the parties listed on Exhibit A to the Application.						
	Jennifer Pi	V				
Subscribed and sworn to before me this	29 day of May,	201	4.			
Witness my hand and official seal.						
	ħ					

Notary Public

TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO

NOTARY ID 19894002026 MY COMMISSION EXPIRES OCT.4, 2017