

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

IN THE MATTER OF THE APPLICATION OF EE3
LLC FOR AN ORDER TO ALLOW 300 FOOT
SETBACKS WITHIN THE SURPRISE FEDERAL
EXPLORATORY UNIT, LOCATED IN TOWNSHIPS
6 AND 7 NORTH AND RANGES 79 WEST AND 80
WEST, FOR THE NIOBRARA FORMATION,
JACKSON COUNTY, COLORADO

Cause No.

Docket No.

APPLICATION

COMES NOW EE3 LLC, Operator No. 10450 ("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 to allow 300 foot setbacks as to the unit boundaries of the Surprise Federal Exploratory Unit, composed of lands more specifically described on Exhibit A, attached hereto and incorporated herein by reference, for the efficient and economic development of the oil, gas, and associated hydrocarbons from the Niobrara Formation. A reference map of the Application Lands is attached hereto as Exhibit B. 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 is a registered operator in good standing with the Commission.
2. Applicant owns leasehold interests or holds the right to operate on the lands described on Exhibit A, attached hereto and incorporated herein by reference (hereafter "Application Lands").
3. On February 25, 2008 the Commission entered Order No. 531-1, which among other things, established various drilling and spacing units for the drilling and completion of one horizontal well, with the option to drill a second horizontal well in each of the drilling and spacing units, with the permitted wells to be located no closer than 600 feet from the unit boundary, for certain lands in Townships 6 and 7 North, Range 80 West, 6th P.M., for the production of gas and associated hydrocarbons from the Niobrara Formation. Section 4, Township 6 North, Range 80 West, 6th P.M. is subject to Order No. 531-1 for the Niobrara Formation.
4. On July 15, 2008 the Commission entered Order No. 531-2, which extended the provisions of Order No. 531-1 to additional lands. The effect of such extension was to establish various drilling and spacing units for the drilling and completion of one horizontal well, with the option to drill a second horizontal well in each of the drilling and spacing units, with the permitted wells to be located no closer than 600 feet from the unit boundary, for certain lands in Townships 6 and 7 North, Range 80 West, 6th P.M., for the production of gas and associated hydrocarbons from the

Niobrara Formation. Sections 7, 8, 9, 16, 17 and 18, Township 6 North, Range 80 West, 6th P.M. are subject to Order No. 531-2 for the Niobrara Formation.

5. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. The remainder of the Application Lands not subject to Order Nos. 531-1 or 531-2 are subject to Rule 318.a. for the Niobrara Formation and no other specific orders of the Commission.

6. The records of the Commission reflect that there are no wells currently producing from the Niobrara Formation in the Application Lands.

7. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should allow for the treated interval of any horizontal well completed to the Niobrara Formation within the Surprise Federal Exploratory Unit to be no more than 300 feet from the boundary of the Surprise Federal Exploratory Unit, for the efficient and economic development of the oil, gas, and associated hydrocarbons from the Niobrara Formation.

8. EE3 has filed concurrently herewith applications for reduced setbacks in certain fee lands adjacent to the Application Lands to the north, as well as for reduced setbacks in the Peterson Ridge Federal Exploratory Unit, which is adjacent to such fee lands to the north. The lands subject to such applications are shown on Exhibit B.

9. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April 2015, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this ____ of February, 2015.

Respectfully submitted:

EE3 LLC

By:



James P. Parrot
Jill Fulcher
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499
jparrot@bwenergylaw.com
jfulcher@bwenergylaw.com

Applicant's Address:

EE3 LLC

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

Exhibit A
Application Lands

Surprise Federal Exploratory Unit

Township 6 North, Range 80 West, 6th P.M.

Section 1: All
Section 2: All
Section 3: All
Section 4: All
Section 8: All
Section 9: All
Section 10: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: All
Section 22: All
Section 23: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: All

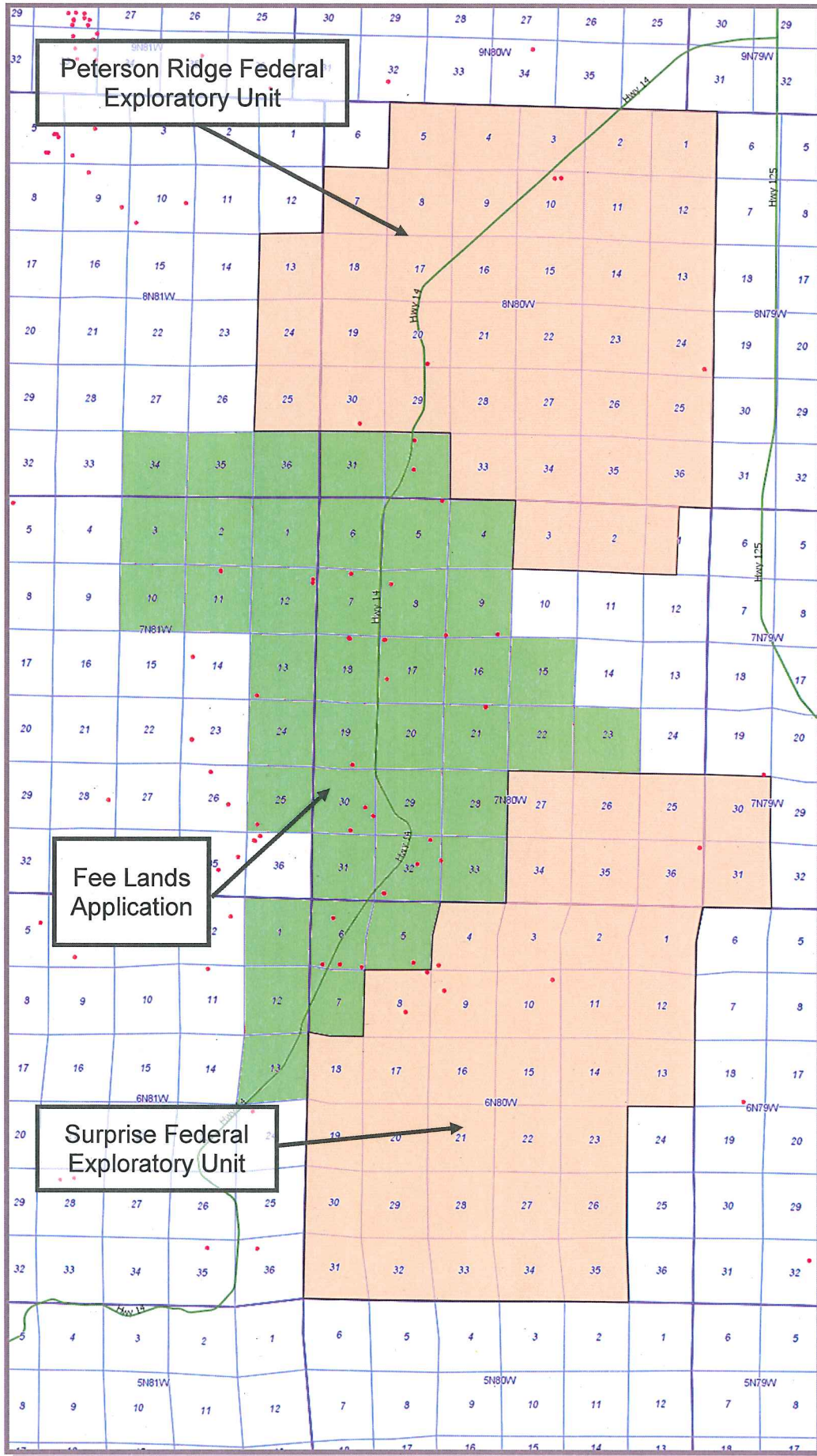
Township 7 North, Range 79 West, 6th P.M.

Section 30: All
Section 31: All

Township 7 North, Range 79 West, 6th P.M.

Section 25: All
Section 26: All
Section 27: All
Section 34: All
Section 35: All
Section 36: All

Exhibit B
Reference Map



VERIFICATION

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

Ruth Hartshorn, Treasurer / Secretary for EE3 LLC, upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

EE3 LLC

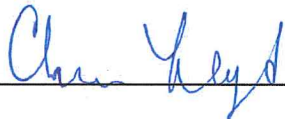


Ruth Hartshorn
Treasurer / Secretary

Subscribed and sworn to before me this 12th day of February, 2015, by Ruth Hartshorn, Treasurer / Secretary for EE3 LLC.

Witness my hand and official seal.

My commission expires: 06-04-2016



Notary Public

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

IN THE MATTER OF THE APPLICATION OF EE3
LLC FOR AN ORDER TO ALLOW 300 FOOT
SETBACKS WITHIN THE SURPRISE FEDERAL
EXPLORATORY UNIT, LOCATED IN TOWNSHIPS
6 AND 7 NORTH AND RANGES 79 WEST AND 80
WEST, FOR THE NIOBRARA FORMATION,
JACKSON COUNTY, COLORADO

Cause No.

Docket No.

AFFIDAVIT OF MAILING

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

James P. Parrot of lawful age, and being first duly sworn upon his oath, states and declares:

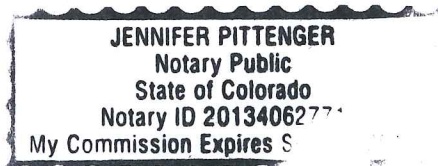
That he is the attorney for EE3 LLC, that on or before the 19th day of February, 2015, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit 1 attached hereto.

James P. Parrot

Subscribed and sworn to before me this 12th day of February, 2015.

Witness my hand and official seal.

My commission expires: 9-27-2017



Jennifer Pittenger
Notary Public

Exhibit 1
Interested Party List

Koch Exploration Company, LLC
9777 Pyramid Court, Suite 210
Englewood, CO 80112

Koch Exploration Company, LLC
950 - 17th St., Suite 1900
Denver, CO 80202

Dakota Exploration, LLC
7711 E. 11th St., Suite 118
Tulsa, OK 74133-2563

Diversified Operating Corp.
15000 West 6th Avenue, Suite 102
Golden, CO 80401

Petroleum Land Services, Inc.
c/o Thomas A. Rutledge
471 Seasons Drive
Grand Junction, CO 81507

Foundation Energy Mangement, LLC
ATTN: Richard L. Payne
16000 Dallas Parkway #875
Dallas, TX 75248-6607

Foundation Energy Management, LLC
Trinity Place Building
1801 Broadway, Suite 408
Denver, CO 80202

Foundation Energy Fund IV-B Holding,
LLC
16000 Dallas Parkway
Suite 875
Dallas, TX 75248-6643

Markus Production, Inc.
39 Fairway Lane
Littleton, CO 80123

A & K Railroad Materials, Inc.
1505 South Redwood Road
P.O. Box 30076
Salt Lake City, UT 84130

Kathleen J. McGowan,
fka Kathleen Pettit
648 Silver Strand Blvd.
Imperial Beach, CA 91932

Coalmont Ranches, LLC
c/o Gene Wamsley
3455 Jackson County Road 11
Coalmont, CO 80430-8018

Donna R. Mahoney
411 Blair Lane
Victor, MT 59875

Barbara J. Goral
P.O. Box 30
Victor, MT 59875

Thomas A. Rutledge and Beverly K.
Rutledge
471 Seasons Drive
Grand Junction, CO 81507

Donald J. Egan
650 South Cherry Street
Suite 1400
Denver, CO 80222

Jesse J. Morrison
c/o Susie Holden Glover
2295 S. 500 W. Apt 1
Bountiful, UT 84010

Francis Nadene Kerbs
P.O. Box 546
Saratoga, WY 82331

Ruth Ann Hanson
932 JCR #1, Box 3
Walden, CO 80480

Vesta Kay Curry & William Douglas Curry
P.O. Box 68, 76 PR 46
Brady, TX 76825

Glen E. Chedsey
P.O. Box 103
Walden, CO 80480

Aristocrat Land & Cattle Company, Inc., a
dissolved Colorado Corporation 1994
c/o Skyler V. Houston
16465 County Road 17
Platteville, CO 80651

Haymeadow Propereties, Inc., a dissolved
Colorado Corporation 2005
c/o Mark D. Sadow, Attorney at Law
7701 Clayton Road
St. Louis, MO 63117

Haymeadow Propereties, Inc., a dissolved
Colorado Corporation 2005
c/o Gladys Levis Pilz
2262 Ella Ct
Louisville, CO 80227-2375

Charles Riley
66 Eagle Dr.
Walden, CO 80480

NAPI, LLC
2022 Jackson County Rd. 26
Walden, CO 80480

All States Trucking Corporation
3511 Stanton Rd
Yakima, WA 98903

Georgiana McGuffey Stillman
11165 La Paloma Dr.
Cupertino, CA 95014

Michael Edward McGuffey
2624 West 33rd Avenue
Denver, CO 80211

South Park Royalty Company, LLC
P.O. Box 8946
Denver, CO 80201-8946

Pennsylvania Minerals, LLC
P.O. Box 899
Denver, CO 80201

Labrador One Oil & Gas, Inc.
521 Fifth Avenue, 18th Floor
New York City, NY 10175

Journey's End, Inc.
6547 N. Academy Blvd. #612
Colorado Springs, CO 80918

Jordance Energy, Inc.
1615 California Street, Suite 702
Denver, Colorado, 80202

Douglas J. Guion
P.O. Box 899
Denver, Co 80201-0899

Marciana Derose
63241 April Ann Ct
Bend, OR 97701-7077

Bulldog One Oil & Gas, Inc.
521 Fifth Avenue, 18th Floor
New York City, NY 10175

Paula L. Anderson
10555 SW 130th Avenue
Beaverton, OR 97008"

Gerry Anderson
1172 56th Avenue
Sacramento, CA 95831

Geoff Anderson
1036 Lea Drive
San Rafael, CA 94903

Theodore Stacey Beard
720 37th Avenue Ct., Apt 2
Greeley, CO 80634-1737

Robert Lawrence Beard
1230 28th Ave, Apt 1C
Greeley, CO 80634-5439

John David Beard
2322 W. 25th Street Rd
Greeley, CO 80634-6910

United States of America
c/o U.S. Fish and Wildlife Service
P.O. Box 25486
Denver, CO 80225

State of Colorado Board of
Land Commissioners
1127 Sherman St., Suite #300
Denver, CO 80203

Max R. and Jean E. Maxwell
P.O. Box 794
Walden, CO 80480

Raptor Resources, LLC
P.O. Box 3009
Greenwood Village, CO 80155

Spicer Ranches, Ltd
c/o Coy Meyring
13241 Hwy 14
Star Route Box 700
Walden, CO 80480-9600

Castle Peak Resources, LLC
290 Maple Court
Suite 290
Ventura, CA 93003

J. Ronald Vignery
616 Arcade
Goodland, KS 67735-2130

Max R. and Jean E. Maxwell
13254 Highway 14
Walden, CO 80430

AED Group, LLC
50 S. Steele St., Ste. 375
Denver, CO 80209

USA - Department Of the Interior
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215-7093