

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

IN THE MATTER OF THE APPLICATION OF)	
ORION ENERGY PARTNERS, L.P. FOR AN)	
ORDER ESTABLISHING SPACING AND)	
WELL LOCATION RULES FOR THE)	
WILLIAMS FORK AND ILES FORMATIONS)	Cause No. 513
OF THE MESAVERDE GROUP FOR)	Docket No. _____
CERTAIN DESCRIBED LANDS IN GARFIELD)	
COUNTY, COLORADO)	

APPLICATION

Orion Energy Partners, L.P. (“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 establishing field rules applicable to the drilling and producing of wells from the Williams Fork Formation and Iles Formation of the Mesaverde Group covering certain described lands in Garfield County, Colorado and in support of its Application states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
- 2. Applicant owns leasehold interests or has rights to acquire leasehold interests in the Williams Fork Formation in the following described lands:

Township 6 South, Range 91 West, 6th P.M.
Section 7: S/2SE/4, SE/4SW/4
Section 8: S/2
Section 9: W/2W/2, SE/4SW/4
Section 16: W/2, S/2SE/4
Section 17: All
Section 18: E/2, SE/4NW/4, E/2SW/4, Lot 4
Section 21: SE/4NW/4, NE/4SW/4, N/2SE/4, SE/4SE/4, SW/4 NE/4
Section 27: NW/4NW/4
Section 28: NE/4NE/4

Garfield County, Colorado.

(hereafter the “WF Application Lands”).

- 3. Applicant also owns leasehold interests or has the rights to acquire leasehold interests in the Iles Formation in the following described lands (which lands are a subset of the WF Application Lands):

Township 6 South, Range 91 West, 6th P.M.
Section 7: SE/4 SW/4, SW/4 SE/4
Section 8: NE/4 SW/4, NW/4 SE/4
Section 16: SE/4 NW/4, SW/4 SW/4, S/2 SE/4
Section 17: All
Section 18: E/2, SE/4 NW/4, E/2 SW/4, Lot 4
Section 21: SE/4 NW/4, NE/4 SW/4, N/2 SE/4, SE/4 SE/4, SW/4 NE/4
Section 27: NW/4 NW/4
Section 28: NE/4 NE/4

Garfield County, Colorado.

(hereafter the “Iles Application Lands”).

- 4. That a portion of the WF Application Lands, namely T6S, R91W, Section 8: S/2 and Section 17: N/2, S/2, are subject to Order Nos. 513-1 and 513-2 which established 320-acre drilling and spacing units for the Williams Fork Formation of the Mesaverde Group and

authorized up to eight (8) wells to be drilled and completed for gas and associated hydrocarbons in each such 320-drilling and spacing unit.

5. That with respect to all remaining WF Application Lands and with respect to the Iles Application Lands, such Application Lands are currently subject to Commission Rule 318.a., which requires that wells drilled in excess of two thousand five hundred feet (2,500') in depth be located not less than six hundred feet from any lease line, and located not less than one thousand two hundred feet (1,200') from any other producible or producing oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

6. That Applicant has drilled, tested and completed multiple wells in the Williams Fork Formation and the Iles Formation of the Mesaverde Group upon lands nearby to the Application Lands.

7. That to promote efficient drainage within the Williams Fork Formation and the Iles Formation of the Mesaverde Group in the WF Application Lands and the Iles Application Lands, the Commission should allow the option to drill up to sixteen (16) wells to the Williams Fork Formation and the Iles Formation in each of the existing drilling and spacing units identified in paragraph 4 above, and based upon one well per twenty (20) acre density pattern for those lands subject to Rule 318.a., with the permitted wells to be located no closer than 200 feet from the unit boundaries or from a lease line on unspaced areas, without exception being granted by the Director of the Commission.

8. That the above-proposed density and well location rules will allow more efficient drainage of the Williams Fork and Iles Formations of the Mesaverde Group; will prevent waste; will not adversely effect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

9. Applicant commits that wells to be drilled under this Application will be drilled from the surface either vertically or directionally from no more than one pad located on a specific quarter quarter section unless exception is granted by the Director of the Commission, and that both formations will be reached from a single wellbore. In this manner, the wells will be economic as to both formations.

10. That the names and addresses of the interested parties in this Application according to the information and belief of the Applicant are set forth in Exhibit A hereto, and that Applicant will submit a Certificate of Service of this Application on each interested party within the next seven days as required by Rule 503.d.

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 consistent with Applicant's proposals as set forth above.

Dated this 22nd day of December, 2006.

Respectfully submitted,

ORION ENERGY PARTNERS, L.P.

By: _____
Michael J. Wozniak
Beatty & Wozniak, P.C.
Attorneys for Applicant
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Denver, Colorado 80202
(303) 407-4499

Applicant's Address:
1675 Broadway, Suite 2000
Denver, CO 80202

VERIFICATION

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

 Rick Gallegos, Land Manager of Orion Energy Partners, L.P., 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.

ORION ENERGY PARTNERS, L.P.

By: _____
 Rick Gallegos

 Subscribed and sworn to before me this 22nd day of December, 2006, by Rick Gallegos of Orion Energy Partners, L.P.

 Witness my hand and official seal. My commission expires: _____

Notary Public

[SEAL]

EXHIBIT A

INTERESTED PARTIES

Kent S. Jolley
832 Canyon Creek Dr.
Glenwood Springs, CO 81601

Brett L. Jolley
1288 County Rd. 245
New Castle, CO 81647

EnCana Oil and Gas (USA) Inc.
Attention: Doug Jones
370 17th St., Suite 1700
Denver, CO 80202

Retamco Operating Inc.
H.C.R. Box 1010
Highway 212 MM86
Roberts, MT 59070

Apollo Energy LLC
1557 Ogden St., Suite 300
Denver, CO 80218

Antero Resources Corporation
Antero Resources II Corporation
1625 17th St., 3rd Floor
Denver, CO 80202

CJS Oil & Gas Properties LLC
P.O. Box 206
Flint, TX 75762

Gene R. Hilton & Mary J. Hilton
2102 West Arapahoe Dr.
Littleton, CO 80120-3008

Resource Enterprises, Inc.
360 Wakara Way
Salt Lake City, UT 84108

Kinney Oil Company
1401 17th Street, Suite 870
Denver, CO 80202

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, CO 80202

Calpine Corporation
717 Texas Avenue, Suite 1000
Houston, TX 70022

Calpine Natural Gas Co.
1000 Louisiana , Suite 800
Houston, TX 77002

Kiva Oil & Gas, Inc.
1100 Louisiana, Suite 3500
Houston, TX 77002

Torch Energy Associates
1221 Lamar, Suite 1600
Houston, TX 77010

Timberline Energy, Inc.
1660 17th Street, Suite 450
Denver, CO 80202

Mobil Oil Corporation
P. O. Box 650232
Dallas, TX 75265-0232

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c/o Gerald M. Quiat
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William H. Spires
6894 Winona Street
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Vessels Oil & Gas Company
1050 17th Street, Suite 2000
Denver, CO 80265

Dyad Petroleum Co.
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Midland, TX 79701

Timothy Pinson
Garfield County
Henry Building
144 E. 3rd Street
Rifle, CO 81650