

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

IN THE MATTER OF THE PROMULGATION)	
AND ESTABLISHMENT OF FIELD RULES)	CAUSE #197- _____
TO GOVERN OPERATIONS IN THE VILAS)	
FIELD, BACA COUNTY, COLORADO)	

**APPLICATION
REQUEST FOR EXCEPTION LOCATION**

Comes now SPYGLASS EXPLORATION, LLC, Applicant, and in support of this Application states and alleges as follows:

1. Applicant is the owner of Oil and Gas Leases covering the following described lands, to wit:

TOWNSHIP 30 SOUTH, RANGE 45 WEST, 6th PM

Section 30: ALL.

Baca County, Colorado

2. The Commission established 640 acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Topeka Limestone underlying certain lands in the Vilas Field on June 14, 1966 in Order No. 197-1, with the units to consist of a governmental section, and in the same Order, the Commission provided that the permitted well be located no further than 1200 feet from the center of the drilling and spacing unit upon which it is located. The subject lands are included in lands subject to Order 197-1. Subsequent Orders in the same Cause have been issued by the Commission, two of which have granted the Petitioner relief in the form of an exception location.

3. No wells have been drilled in the subject spacing unit. There are no productive wells in any offsetting spacing unit to the subject lands. Applicant requests the Commission grant approval of Applicant’s request for an exception location in the NW/4NE/4 of Section 30-30S-45W, being more particularly described as being 624’ FNL and 1552’ FEL of said Section 30-30S-45W, Baca County, Colorado.

4. Applicant's engineering and geological studies indicate that the proposed location is the best location in which to encounter the thickest, most permeable reservoir in the Topeka Limestone in the most structurally advantageous location in the subject spacing unit. This Application, if granted, will provide for the best conservation of natural resources and prevention of waste, and provide protection of correlative rights in the drilling and spacing unit consisting of Section 30-30S-45W for production from the Topeka Limestone.

5. The names and addresses of the only interested parties, as defined in Rule 507 of the rules and regulations of the Colorado Oil and Gas Conservation Commission, according to the information and belief of Applicant, are set forth in Exhibit "A" attached hereto and made a part hereof. Waiver forms will be sent to all parties requesting their consent to the herein proposed location.

WHEREFORE, Applicant respectfully requests the Oil and Gas Conservation Commission set this matter for hearing, that notice of said hearing be given as required by law, and following such hearing the Commission enter an Order granting an amendment to Order No. 197-1, authorizing a well to be drilled at an exception location being 624 feet FNL and 1552 feet FEL of Section 30-30S-45W, Baca County, Colorado, and for such other finding and Order as the Commission may deem proper or advisable in the premises.

DATED this 20th day of November, 2006 at Greenwood Village, Colorado.

James F. Marquis, Agent for
Spyglass Exploration, LLC, Applicant
7400 E. Orchard Rd. #2000
Greenwood Village, Colorado 80111

EXHIBIT "A"

Section 30-30S-45W
Baca County, Colorado

MINERAL OWNERS

Denton C. Ward
P.O. Box 667
Vilas, Colorado 81087

Sarah Elaine Ward
P.O. Box 667
Vilas, Colorado 81087

Kurt W. & Rebekah L. Staton
30298 County Road EE
Springfield, Colorado 81073

WORKING INTEREST OWNERS

Spyglass Exploration, LLC 4504 Banyan Lane Dallas, Texas 75287	100.00%
--	---------

Section 19-30S-45W
Baca County, Colorado

MINERAL OWNERS

Denton C. Ward
P.O. Box 667
Vilas, Colorado 81087

Richard C. & Alva M. Horn
1740 West 5th
Colby, Kansas 67701

Section 29-30S-45W
Baca County, Colorado

Ida Nelson
c/o Diane Cathey
4300 Crestwood
Midland, Texas 79701

Bass, Inc.
P.O. Box 87
Springfield, Colorado 81073

Jackie Graham
1115 South Bernice
Spearman, Texas 79081

Mary K. Higgins & Carla J. Deeds, JT
23547 Highway 287
Springfield, Colorado 81073

Exception Location Application/Cause #197-
Spyglass Exploration, LLC/Sec. 30-30S-45W, Baca Co., CO
Exhibit "A" continued

Section 20-30S-45W
Baca County, Colorado

Denton C. Ward
P.O. Box 667
Vilas, Colorado 81087

Ida Nelson
c/o Diane Cathy
4300 Crestwood
Midland, Texas 79701

Dan Yokum
P.O. Box 482
Walsh, CO 81090

Jackie Graham
1115 South Bernice
Spearman, Texas 79081

Stonington Farms
10600 South Road V
Manter, Kansas 67862

Melissa B. & David C. Whittler
2068 South Salida Street
Aurora, Colorado 80013

Stacy & Richard Bean
P.O. Box 2375
Tijerias, New Mexico 98059

Brian Brown
350 Peregrine Lane
Prescott, Arizona 86301