

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

IN THE MATTER OF THE APPLICATION OF)
ORR ENERGY, LLC, FOR APPLICATION)
FOR PERMIT TO DRILL LAKE 31-43 WELL,)
TOWNSHIP 6 NORTH, RANGE 66 WEST,)
6TH P.M., SECTION 31, NE ¼ OF THE SE ¼)
WELD COUNTY, COLORADO, PURSUANT)
TO PERMIT APPLICATION 20077274)

Cause No.:

Docket No.:

VERIFIED APPLICATION

The City of Greeley, Colorado, a municipal corporation ("Greeley"), by its undersigned counsel, files this Application under Commission Rule 503.b or, in the alternative, requests a variance pursuant to Rule 502.b.(1). Greeley requests that the Commission deny Orr Energy, LLC's ("Orr") Applications for Permit to Drill number 20077274 ("APD") that were filed on December 26, 2007 by Orr. If the APD is granted, Greeley requests that the permits contain the restrictions found in Rules 603 for high density area and designated outside activity areas within the following described lands:

Lake 31-43 Well, Township 6 North, Range 66 West, 6TH
P.M., Section 31, NE ¼ of the E SE ¼, Weld County,
Colorado.

In support of this Application, Greeley states as follows:

1. The Applicant, City of Greeley, is a Colorado municipal corporation, and is the surface owner of the land.
2. For the reasons described below, the Orr APD should be amended to provide Greeley the variance pursuant to Rule 502 so that the Commission can consider Greeley's objections to the granting of the APD location for Lake 31-43 Well on the grounds described below:
3. Greeley is the owner of the property known as the Poudre Learning Center ("Learning Center") which is the subject of Orr's application on which he proposes to drill the Lake 31-43 Well. Greeley has standing to file this Application pursuant to Rules 503.b.(5), (6), and (7). The Learning Center lies within the corporate limits of Greeley and is currently developed by Greeley-Evans School District 6 as an interdisciplinary learning center that focuses on the importance of history, science, economics and aesthetics of Cache la Poudre River Corridor.
4. The Learning Center has, among other things, a connection to the Poudre River Trail and has an indoor center for school classes, laboratory instructions and gatherings; a parking facility to support the Learning Center; wetland habitat and ecosystems learning centers via outdoor classrooms; and a system of barrier free education pathways for exploring the site.

5. The Learning Center consists of approximately 65 acres of developed and undeveloped real estate. All 65 acres are used both for building improvements and outdoor classroom areas as shown on Exhibit "A" attached hereto and incorporated herein by reference.

6. Greeley's concern is that Orr's APD, if granted, will create risks to public health, safety, and welfare and will irreparably damage the environment. These impacts and risks include, but are not limited to, the following:

- a. placing visitors to the Learning Center in jeopardy of injury and exposure to hazardous operations and substances by the drilling and operation of the wells, increased traffic, and placement of an access road;

- b. potential damage to the Learning Center's improvements and structures through heavy equipment operations;

- c. destruction of wildlife and wildlife viewing opportunities, impact to wetlands which is one of the main focus points and environmental opportunities of the Learning Center;

- d. degradation of this fragile environment which was preserved and observed to be preserved through educational processes at the Learning Center; and,

- e. the proposed drilling and extracting operation is directly incompatible with the existing and future uses of the Learning Center property.

7. The Poudre Learning Center is a well defined area on all sides. On the north side by the Cache la Poudre River; on the east side by 83rd Avenue; on the south side by Weld County Road 62; and, the west side by fencing. With only ten months of operation, the Poudre Learning Center has been hugely successful and has been occupied by 20 persons or more at least 95 days in calendar year 2007. A listing of the days of occupancy of the Learning Center for a ten-month period is listed on Exhibit "B" attached hereto. Most of the visitors are school children from the area elementary, middle and high schools in the Greeley-Windsor area. A listing of the schools attending for only a three-month period is attached hereto as Exhibit "B-2".

8. The Learning Center, through its master plan, a copy of which is attached hereto as Exhibit "C", was put into operation on May 12, 2005, and has been utilized on an annual basis by thousands of Greeley citizens, most of whom are young people. The Learning Center has provided an enriching experience for the children to view both the indoor and outdoor classroom settings, the wetland habitat, the ecosystems via the outdoor classrooms, the hydrology of the Poudre River, and the prairie areas. The Learning Center has re-installed wetland area where the old road off of 83rd Avenue was recently removed. Additionally, Colorado State University has recently been excavating soil pits for research and educational sampling. It is expected that the Learning Center will continue to provide these scientific and educational activities well into the future by preserving the existing ecosystem of the Learning Center.

9. The drilling and installation of any oil and gas well as contemplated by Orr's APD would create a serious risk to the health and safety of the children and other citizens in the community and to the environment.

10. Commission Rules 503.b.(7) allow Greeley to file this application because Greeley will be “directly and adversely affected” by Orr’s APD by virtue of the dangers inherent in the drilling and extraction operation to the many users of the park, especially young people, and the risks to the riparian areas, wildlife, and the underlying fragile environment. The proposed drilling and extracting operation is directly incompatible with the existing and future uses of the Learning Center property. Greeley is entitled to a hearing before the APD is granted to address Greeley’s concern, pursuant to Rules 503.b.(5), (6) and (7).

DESIGNATION AS A HIGH DENSITY AREA and DESIGNATED OUTSIDE ACTIVITY AREA

11. Rule 603 of the Commission Rules and Regulations states that a high density area shall be determined at the time a well is permitted. Rule 603.c provides that a high density area includes any “educational facility [or] assembly building...within one thousand (1,000) feet of a wellhead or production facility.” The Poudre Learning Center and its associated structures are such a facility or building and will be, upon our information and belief, within 1,000 feet of the proposed wells or their production facilities.

12. Additionally, the entire site of the Learning Center, because of its indoor and outdoor classroom activity areas, is and should be designated by the Commission as a designated outside activity area. A Designated Outside Activity Area is defined in Series 100 Commission Rules as follows:

DESIGNATED OUTSIDE ACTIVITY AREAS shall mean a well-defined outside area (such as a playground, recreation area, outdoor theater, or other place of public assembly) that is occupied by twenty (20) or more persons on at least forty (40) days in any twelve (12) month period or by at least five hundred (500) or more people on at least three (3) days in any twelve (12) month period.

With nearly 7,500 number of visitors annually (not including school district maintenance and educational personnel) – many of whom will use the areas in proximity to the proposed well or the proposed production facility – the use of the Learning Center area far exceeds the requirements of Commission regulations for designated outside activity areas and high density areas. The proposed drilling and extracting operation is directly incompatible with the existing and future uses of the Learning Center property.

13. As such, the City of Greeley requests that the Commission rule that the entire Learning Center property because of its uses and well defined area, be designated a high density area and a Designated Outside Activity Area by the Commission.

RELIEF REQUESTED

14. Greeley requests that the Commission determine that the APD for the Lake 31-43 Well and production facilities be moved off site a minimum of 350 feet from the perimeter of the Learning Center property as a variance pursuant to Rules 503.b. (5), (6) and (7).

15. Additionally, Greeley requests that the requirements of Rule 603 apply to the well and that the Commission designate the Learning Center property in its entirety as a high density and

designated outside activity area in that such requirements of Rule 603 apply to the Lake 31-43 Well and that the Well and production facilities be moved off site to a minimum of 350 feet from the perimeter of the Learning Center property.

16. The names and addresses of the interested parties according to the information and belief of Greeley are set forth in the Certificate of Mailing below and made a part hereof.

17. Greeley respectfully requests this matter be set for hearing in May, 2008, that notice be given as required by law, and that upon such hearing the Commission enter its order consistent with the City of Greeley's proposals as set forth above.

Respectfully submitted this 25th day of January 2008.

THE CITY OF GREELEY, COLORADO
OFFICE OF THE CITY ATTORNEY

/s/ Jeffrey C. Parins

Jeffrey C. Parins, Deputy City Attorney #17544
1100 10th Street, Suite 401
Greeley, Colorado 80631
Telephone: (970) 350-9757
Facsimile: (970) 350-9763
Email: jeff.parins@greeleygov.com

VERIFICATION

STATE OF COLORADO)
COUNTY OF WELD)

I, Rebecca Safarik, Director of Community Development for the City of Greeley, Colorado, hereby swear and affirm that the information continued in the above VERIFIED APPLICATION is true and correct, based upon my knowledge, information and belief upon review of the Application and attachments.

/s/ Rebecca Safarik January 25, 2008
Rebecca Safarik DATE

Signed and sworn to before me this 25th day of January, 2008, by the person known to me to be Rebecca Safarik, Director of Community Development for the City of Greeley, Colorado.

/s/ Sandra L. Holm
Notary Public

CERTIFICATE OF MAILING

I hereby certify that, to the best of my information and belief, a true and correct copy of the foregoing VERIFIED APPLICATION and attachments have been served on all parties who are entitled to notice via US mail, first class postage prepaid, on this 25th day of January, 2008, addressed to the following:

Orr Energy, LLC
826 9th Street #200
Greeley, CO 80631

Orr Resources, LLC
826 9th Street #200
Greeley, CO 80631

Mr. Ed Orr
826 9th Street #200
Greeley, Co 80631

Board of County Commissioners
Weld County, Colorado
915 10 Street
PO Box 758
Greeley, Co 80632

Weld County School District 6
1025 9th Avenue
Greeley, CO 80631

Hall-Irwin Construction Company
301 Centennial Drive
PO Box 309
Milliken, CO 80543

83rd Joint Venture LLC
2815 83 Avenue
Greeley, CO 80634

Poudre Learning Center, Inc.
8313 F Street
Greeley, CO 80634

Central Colorado Water Conservancy District
3209 W 28 Street
Greeley, CO 80634

Poudre River Trail Education Board
1226 38 Avenue
Greeley, CO 80634

Rebecca Safarik
Director of Community Development
1100 10th Street, Second Floor
Greeley, CO 80634

/s/ Jeffrey C. Parins
Jeffrey C. Parins

Signed and sworn to before me this 25th day of January, 2008, by the person known to me to be Jeffrey C. Parins, Deputy City Attorney.

/s/ Sandra L. Holm
Notary Public