

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

IN THE MATTER OF THE APPLICATION)	
OF ORR ENERGY, LLC FOR AN ORDER)	
DECREASING THE SIZE OF DRILLING)	
AND SPACING UNITS FOR THE)	CAUSE NO. 381
PRODUCTION OF OIL AND GAS)	ORDER NO. 381-_____
FROM THE CODELL AND NIOBRARA)	
FORMATIONS UNDERLYING CERTAIN)	
LANDS IN WELD COUNTY, COLORADO)	

VERIFIED APPLICATION

The Applicant, Orr Energy, LLC (AOrr@), by and through its undersigned counsel, respectfully petition the Oil and Gas Conservation Commission of the State of Colorado (the ACommission@) as follows:

BACKGROUND

Existing Leasehold Interest and Wells.

1. Orr owns fee minerals or oil and gas leases covering substantially all of the oil and gas under the NW3 SW3 of Section 33, Township 6 North, Range 66 West, 6th P.M., Weld County, Colorado ("Section 33" hereinafter).
2. The SW3 SW3 of Section 33 is comprised of many small residential tracts which are not subject to oil and gas leases. On information and belief, the surface and minerals in the SW¼ SW¼ have not been severed.
3. At the time of this application, the records of the Commission indicate that no wells have been drilled in the SW3 of Section 33, and no spacing units have yet been declared for production from the Codell and Niobrara formations underlying the SW¼ of Section 33.
4. Orr has applied for a permit for the drilling of a well, the PRR 33-13 well, in the NW3 SW3 of Section 33.

Existing Commission Orders.

5. By Orders 281-1, 281-2 and 281-5, the Commission established 80-acre drilling and spacing units for the production of oil and gas from the Codell and Niobrara formations underlying Section 33.

6. The SW $\frac{3}{4}$ of Section 33 has not been spaced for production from any other formations. By Order 281-3, the Commission permitted multiple completion and commingling of the Codell and Niobrara formations in Section 33, where there is no difference in ownership between formations.

7. By Order 281-4, the Commission granted the option to drill an additional well on each 80-acre drilling and spacing unit, in the undrilled 40-acre tract, for production from the Codell and Niobrara formations in the SW $\frac{1}{4}$ of Section 33.

8. By Order 281-8, with respect to the W $\frac{1}{2}$ SW $\frac{1}{4}$ of the adjacent Section 32, the Commission established 40-acre units consisting of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ NW $\frac{1}{4}$ for production from the Codell, Niobrara, "J" Sand and Sussex formations.

9. Under Rule 318A, the Commission allows up to five wells to be drilled in each governmental quarter section of Section 33, to Cretaceous formations above the base of the Dakota formation, including the Codell, Niobrara, AJ@ Sand and Dakota formations. Under Rule 318(A)(e), the Commission allows up to three additional wells to be directionally drilled from existing surface well locations, to bottom hole locations in Cretaceous formations above the base of the Dakota formation.

SPACING REQUEST

10. Colorado Revised Statute Section 34-60-116(4) authorizes the Commission to decrease or increase the size of drilling units in order to prevent or assist in preventing waste, avoid the drilling of unnecessary wells, and/or protect correlative rights.

11. Orr requests that the Commission declare spacing units in the SW $\frac{3}{4}$ of Section 33 to consist of the E2 SW $\frac{3}{4}$ and the W2 SW $\frac{3}{4}$.

12. Orr further requests that the Commission enter an Order reducing the size of drilling and spacing units for the Codell and Niobrara formations in the W2 SW $\frac{3}{4}$ of Section 33 by establishing separate 40-acre drilling and spacing units comprised of the NW $\frac{3}{4}$ SW $\frac{3}{4}$ and SW $\frac{3}{4}$ SW $\frac{3}{4}$ of Section 33.

13. As testimony before the Commission has previously established, 40-acre drilling units are not less than the maximum area than can be efficiently, economically and effectively drained by a single well producing oil, gas and associated hydrocarbons from the Codell and Niobrara formations underlying Section 33.

14. The establishment of such units will prevent or assist in preventing waste by assuring that all potential locations may be drilled without prejudice to the rights of other

leasehold or mineral owners, and ensuring that the pool as a whole may be efficiently and economically developed.

15. The establishment of such units will protect the correlative rights of both leasehold and mineral owners.

16. The names and addresses of the interested parties, based upon Applicants' information and belief, are set forth on the annexed Exhibit "A."

REQUEST FOR HEARING AND ORDER

WHEREFORE, Orr prays that this matter be set for hearing on March 31 and April 1, 2008, that Notice of said Hearing be given as required by law, and that following such Hearing the Commission enter an Order, amending Order No. 381-5 and:

A. Declaring the spacing units in the SW3 of Section 33 for the Codell and Niobrara formations to be the E2 SW3 and the W2 SW3; and

B. Reducing the size of drilling and spacing units for the Codell and Niobrara formations in the W2 SW3 of Section 33, by establishing separate 40-acre drilling and spacing units comprised of the NW3 SW3 and SW3 SW3 of Section 33.

RESPECTFULLY SUBMITTED this 11th day of February, 2008.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: _____

J. Michael Morgan #7279
950 South Cherry Street, Suite 900
Denver, CO 80246
(303) 753-9000
(303) 75-9997 (fax)
mmorgan@lohfschaiman.com

Address of Applicant:

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

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is a Certified Professional Landman who maintains his office at 8203 West 20th Street, Suite B, Greeley, Colorado 80634.
2. He is a consultant for the Applicant, Orr Energy, LLC.
3. He has read the within Application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.

William G. Crews

Subscribed and sworn to before me this _____ day of February, 2008.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT "A"

Interested Parties

W½ SW¼ of Section 33, Township 6 North, Range 66 West, 6th P.M.

NW1/4 SW1/4

Mineral Owners

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

Union Central Life Insurance Company
1876 Waycross Road
Cincinnati, OH 85240

Lonnie L. & Rebecca J. Ochsner
640 No. Cache Ct.
Greeley, CO 80634

Jensen Quality Custom Homes, Inc.
600 N 71st Avenue
Greeley, CO 80634

Robert P. & Mary J. Merz
6845 Poudre River Road #1
Greeley, CO 80634

Noral & Cynthia M. Johnson
6845 Poudre River Road #2
Greeley, CO 80634

Deborah Powell
4727 Cabiz Circle
Palm Beach Garden, FL 33418

Betty A. & Thomas R. Robb
6845 Poudre River Road #4
Greeley, CO 80634

Loreen K & Noreen M. Vegter
6845 Poudre River Road #5
Greeley, CO 80634

Gregory T. & Cathy I. Ludlow
6845 Poudre River Road, Unit 6
Greeley, CO 80634-9365

David B. & Lori L. Smith
6845 Poudre River Road #7
Greeley, CO 80634

Tambor Williams
6845 Poudre River Road #8
Greeley, CO 80634

Guizar Family Trust
6920 Poudre River Road #9
Greeley, CO 80634

Carol A. Givan Trust
6920 Poudre River Road #10
Greeley, CO 80634

Dorothy W. Davisson
6920 Poudre River Road #11
Greeley, CO 80634

James B & Sylvia S. Beddingfield Trust
6920 Poudre River Road #12
Greeley, CO 80634

Daniel S. Maus & Nancy J. Churchwell
6920 Poudre River Road #13
Greeley, CO 80634

Thomas E. & Sandra L. Selders
635 No. Cache Ct.
Greeley, CO 80634

John E. & Amy E. Boyd
6929 Poudre River Road, Unit 1
Greeley, CO 80634

Bonnie E. White Trust
6929 Poudre River Road #2
Greeley, CO 80634

Leslie D. & Susan M. Matson
6929 Poudre River Road #3
Greeley, CO 80634

William A. & Peggy L. Stinson
6929 Poudre River Road #4
Greeley, CO 80634

Meadows at Poudre River Ranch Sub. Assn.
P.O. Box 336276
Greeley, CO 80633

Delbert L. & Leona I. Stevens
7003 Poudre River Road #1
Greeley, CO 80634

James J. Tinsley & Thomas J. Sas
7003 Poudre River Road #2
Greeley, CO 80634

Harold Dean & Linnea R. Stumpf
7003 Poudre River Road #3
Greeley, CO 80634

Frankie Rogers & Paul Greene
1765 Stove Prairie Cir.
Loveland, CO 80538-3408

Craig & Mary Jane Dewars
7003 Poudre River Road #5
Greeley, CO 80634

Eugene Thomas & Zula Rae Bower Revocable
Living Trust
7003 Poudre River Road #6
Greeley, CO 80634

Betty A. Briqualeur
7003 Poudre River Road #7
Greeley, CO 80634

Horton Living Trust
7003 Poudre River Road # 8
Greeley, CO 80634

Michael J. & Suzanne Engrav
7003 Poudre River Road #9
Greeley, CO 80634

Overriding Royalty Owners:

None

Leasehold Owners:

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

SW1/4 SW1/4

Mineral Owners:

Lonnie L. & Rebecca J. Ochsner
640 No. Cache Ct.
Greeley, CO 80634

Jensen Quality Custom Homes, Inc.
600 North 71st Avenue
Greeley, CO 80634

Daniel S. Maus & Nancy J. Churchwell
6920 Poudre River Road #13
Greeley, CO 80634

James B & Sylvia S. Beddingfield Trust
6920 Poudre River Road #12
Greeley, CO 80634

Dorothy W. Davisson
6920 Poudre River Road #11
Greeley, CO 80634

Carol A. Givan Trust
6920 Poudre River Road #10
Greeley, CO 80634

Diana L. Rehmer Trust No. 1
520 North 71st Avenue
Greeley, CO 80634

Joanne Baker Jensen
7049 West C Street
Greeley, CO 80634

Jill A. Forsythe
501 N 67 Avenue
Greeley, CO 80634

Emeline R. Goodwin
6901 West C Street
Greeley, CO 80634

Douglas A. & Laura G. Sneesby
412 71st Avenue
Greeley, CO 80634

Robert L. & Ilene F. Doty
407 No. 67th Avenue
Greeley, CO 80634

City of Greeley
1000 10 Street
Greeley, CO 80631

Troy & Jean Kyne
517 North 71st Avenue
Greeley, CO 80631

Jensen Quality Custom Homes, Inc.
600 North 71st Avenue
Greeley, CO 80634

Jay Jensen
600 N 71st Avenue
Greeley, CO 80634

Larry Selzle & Shirley A. Forrest
511 North 67th Avenue
Greeley, CO 80634

Jill A. Forsythe
501 North 67th Avenue
Greeley, CO 80634

Robert L. & Ilene F. Doty
407 North 67th Avenue
Greeley, CO 80634

William & Lillian M. Ikenouye Heirs
6705 West C Street
Greeley, CO 80634

Manuael J. & Bonnie F. Sisneros
406 71st Avenue
Greeley, CO 80631

Bertha A. Jaimes
P.O. Box 745
Kersey, CO 80644

Jerry Dale Benedict
410 North 71st Avenue
Greeley, CO 80634

Tretter Family Trust
636 North Cache Ct.
Greeley, CO 80634

CO-NE Prop Ltd.
222 North Morlan Avenue
Holyoke, CO 80734 None

Overriding Royalty Owners:

Shawn & Jill Shepherd
555 North 71st Avenue
Greeley, CO 80634

Leasehold Owners:

None

Roger & Jacqueline Johnson
628 North Cache Ct.
Greeley, CO 80634

Jensen Quality Custom Homes, Inc.
600 North 71st Avenue
Greeley, CO 80634

Lee Morrison, Esq.
Weld County Commissioner Office
P.O. Box 758
Greeley, CO 80634

CERTIFICATE OF MAILING

I hereby certify that on the 11th day of February, 2008, a true and correct copy of the foregoing was mailed via U.S. First-Class Mail, postage prepaid, to the following:

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

Union Central Life Insurance Company
1876 Waycross Road
Cincinnati, OH 85240

Lonnie L. & Rebecca J. Ochsner
640 No. Cache Ct.
Greeley, CO 80634

Jensen Quality Custom Homes, Inc.
600 N 71st Avenue
Greeley, CO 80634

Robert P. & Mary J. Merz
6845 Poudre River Road #1
Greeley, CO 80634

Noral & Cynthia M. Johnson
6845 Poudre River Road #2
Greeley, CO 80634

Deborah Powell
4727 Cabiz Circle
Palm Beach Garden, FL 33418

Betty A. & Thomas R. Robb
6845 Poudre River Road #4
Greeley, CO 80634

Loreen K & Noreen M. Vegter
6845 Poudre River Road #5
Greeley, CO 80634

Gregory T. & Cathy I. Ludlow
6845 Poudre River Road, Unit 6
Greeley, CO 80634-9365

David B. & Lori L. Smith
6845 Poudre River Road #7
Greeley, CO 80634

Tambor Williams
6845 Poudre River Road #8
Greeley, CO 80634

Guizar Family Trust
6920 Poudre River Road #9
Greeley, CO 80634

Carol A. Givan Trust
6920 Poudre River Road #10
Greeley, CO 80634

Dorothy W. Davisson
6920 Poudre River Road #11
Greeley, CO 80634

James B & Sylvia S. Beddingfield Trust
6920 Poudre River Road #12
Greeley, CO 80634

Daniel S. Maus & Nancy J. Churchwell
6920 Poudre River Road #13
Greeley, CO 80634

Thomas E. & Sandra L. Selders
635 No. Cache Ct.
Greeley, CO 80634

John E. & Amy E. Boyd
6929 Poudre River Road, Unit 1
Greeley, CO 80634

Bonnie E. White Trust
6929 Poudre River Road #2
Greeley, CO 80634

Leslie D. & Susan M. Matson
6929 Poudre River Road #3
Greeley, CO 80634

William A. & Peggy L. Stinson
6929 Poudre River Road #4
Greeley, CO 80634

Meadows at Poudre River Ranch Sub. Assn.
P.O. Box 336276
Greeley, CO 80633

Delbert L. & Leona I. Stevens
7003 Poudre River Road #1
Greeley, CO 80634

James J. Tinsley & Thomas J. Sas
7003 Poudre River Road #2
Greeley, CO 80634

Harold Dean & Linnea R. Stumpf
7003 Poudre River Road #3
Greeley, CO 80634

Jensen Quality Custom Homes, Inc.
600 North 71st Avenue
Greeley, CO 80634

Frankie Rogers & Paul Greene
1765 Stove Prairie Cir.
Loveland, CO 80538-3408

Craig & Mary Jane Dewars
7003 Poudre River Road #5
Greeley, CO 80634

Eugene Thomas & Zula Rae Bower
Revocable Living Trust
7003 Poudre River Road #6
Greeley, CO 80634

Betty A. Briqueleur
7003 Poudre River Road #7
Greeley, CO 80634

Horton Living Trust
7003 Poudre River Road # 8
Greeley, CO 80634

Michael J. & Suzanne Engrav
7003 Poudre River Road #9
Greeley, CO 80634

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

Lonnie L. & Rebecca J. Ochsner
640 No. Cache Ct.
Greeley, CO 80634

Daniel S. Maus & Nancy J. Churchwell
6920 Poudre River Road #13
Greeley, CO 80634

James B & Sylvia S. Beddingfield Trust
6920 Poudre River Road #12
Greeley, CO 80634

Dorothy W. Davisson
6920 Poudre River Road #11
Greeley, CO 80634

Carol A. Givan Trust
6920 Poudre River Road #10
Greeley, CO 80634

Diana L. Rehmer Trust No. 1
520 North 71st Avenue
Greeley, CO 80634

Joanne Baker Jensen
7049 West C Street
Greeley, CO 80634

Jill A. Forsythe
501 N 67 Avenue
Greeley, CO 80634

Emeline R. Goodwin
6901 West C Street
Greeley, CO 80634

Douglas A. & Laura G. Sneesby
412 71st Avenue
Greeley, CO 80634

Robert L. & Ilene F. Doty
407 No. 67th Avenue
Greeley, CO 80634

City of Greeley
1000 10 Street
Greeley, CO 80631

Troy & Jean Kyne
517 North 71st Avenue
Greeley, CO 80631

Jensen Quality Custom Homes, Inc.
600 North 71st Avenue
Greeley, CO 80634

Jay Jensen
600 N 71st Avenue
Greeley, CO 80634

Larry Selzle & Shirley A. Forrest
511 North 67th Avenue
Greeley, CO 80634

Jill A. Forsythe
501 North 67th Avenue
Greeley, CO 80634

Robert L. & Ilene F. Doty
407 North 67th Avenue
Greeley, CO 80634

William & Lillian M. Ikenouye Heirs
6705 West C Street
Greeley, CO 80634

Manuael J. & Bonnie F. Sisneros
406 71st Avenue
Greeley, CO 80631

Bertha A. Jaimes
P.O. Box 745
Kersey, CO 80644

Jerry Dale Benedict
410 North 71st Avenue
Greeley, CO 80634

Tretter Family Trust
636 North Cache Ct.
Greeley, CO 80634

Lee Morrison, Esq.
Weld County Commissioner Office
P.O. Box 758
Greeley, CO 80634

Tonja L. Hoisington, Paralegal