

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

IN THE MATTER OF THE APPLICATION OF VECTA OIL & GAS, LTD. FOR AN ORDER PARTIALLY VACATING ORDER 426-3 FOR THE DRILLING OF THE MORROW FORMATION FOR CERTAIN LANDS LOCATED IN THE MOUNT PEARL FIELD AREA LOCATED IN CHEYENNE COUNTY, COLORADO	CAUSE NO: 426 ORDER NO: DOCKET NO:
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APPLICATION

COMES NOW the Applicant, Vecta Oil & Gas, Ltd. ("Vecta" or "Applicant"), by its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an Order vacating drilling and spacing units established for in the Mount Pearl Field Area in Cheyenne County, Colorado. In support thereof, Vecta states as follows:

1. This Application covers the following described lands located in Cheyenne County, Colorado, hereafter referred to as the "Application Lands":

Township 13 South, Range 47 West, 6th P.M.:
Section 33: All

2. Applicant is a limited partnership duly authorized to conduct business in the State of Colorado. Applicant is an owner of the right to drill and produce oil and gas from the Application Lands.

3. In Cause No. 426, Order No. 426-1, entered February 18, 1985, the Oil and Gas Conservation Commission established 80 acre drilling units, more or less, for the production of oil and associated hydrocarbons from the Morrow Formation. This Order covered certain lands located in Townships 13 and 14 South, Range 48 West, 6th P.M. The Order provided that the drilling units shall consist of either the E/2 and W/2 or the N/2 and S/2 of each quarter section according to the governmental survey with the option of the operator drilling the first well in the quarter section to designate the unit. The Order further provided that the permitted well shall be located in the center of the NW/4 and SE/4 of each quarter section with a tolerance of 200 feet in any direction.

4. In Cause No. 426, Order No. 426-3, entered January 17, 1986, the Oil and Gas Conservation Commission extended Order No. 426-1 to certain additional lands located in Township 13 South, Range 47 West, Township 13 South, Range 48 West, and Township 14 South, Range 48 West, 6th P.M. This Order extended Order 426-1 to the Application Lands.

5. The Application Lands are not subject to the Mount Pearl Unit Area approved by the Oil and Gas Conservation Commission by Order 426-16 entered on September 3, 1987, as of August 17, 1987.

6. The Application Lands are not subject to the Rhoades Unit Area approved by the Oil and Gas Conservation Commission by Order 426-18 entered on August 16, 1987, as of July 19, 1988.

7. There is no existing oil or gas production from the Application lands.

8. Applicant alleges that the reason and justification for Order No. 426-1 and 426-3 no longer exists as to the units within the Application Lands, and requests the Commission to vacate said Orders insofar as the same pertain to the Application Lands.

9. Geological and engineering information obtained in the drilling and producing of wells located in the area which are productive of gas, oil and associated hydrocarbons from the Morrow Formation indicates that, in order to adequately and efficiently drain the oil and associated hydrocarbons from the formation, it is necessary to vacate the drilling units established under Orders 426-1 and 426-3 and allow exploration and development for oil and associated hydrocarbons to proceed under Rule 318.a., which requires that wells drilled in excess of two thousand five hundred (2,500) feet in depth be located not less than six hundred (600) feet from any lease line, and located not less than one thousand two hundred (1,200) feet away from any other producible or drilling oil or gas well within the same common source of supply, unless authorized by order of the Commission upon hearing.

10. Therefore, Applicant respectfully requests that Orders 426-1 and 426-3 be vacated as to the Application Lands.

11. Applicant alleges and believes that the granting of this Application will prevent waste, protect correlative rights, and assure the greatest ultimate recovery of oil and associated hydrocarbons from the reservoir.

12. The names and addresses of the interested parties according to the rules of this Commission, and based upon the information and belief of the Applicant, are set forth on Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in May, 2011, 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 17th day of March, 2011.

By:

Nick A. Swartzendruber
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Telephone: (303) 861-4400
Facsimile: (303) 861-1225

VERIFICATION

STATE OF _____

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ss.

COUNTY OF _____

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_____, of lawful age, being first duly sworn upon his/her oath, deposes and says that he/she is the _____ of Vecta Oil & Gas, Ltd. and that he/she has read the foregoing Application and that the matters therein contained are true to the best of his/her knowledge, information and belief.

VECTA OIL & GAS, LTD.

By: _____

Subscribed and sworn to before me this 17th day of March, 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public