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

IN THE MATTER OF THE APPLICATION OF)	
CONDOR ENERGY TECHNOLOGY LLC FOR)	
AN ORDER ESTABLISHING AN)	Cause No.
EXPLORATORY DRILLING AND SPACING)	
UNIT AND ESTABLISHING WELL LOCATION)	Docket No.
RULES FOR THE NIOBRARA FORMATION)	
LOCATED IN SECTIONS 15 AND 16,)	
TOWNSHIP 7 NORTH, RANGE 60 WEST, 6 TH)	
P.M., AN UNNAMED FIELD, WELD COUNTY,)	
COLORADO		

APPLICATION

Condor Energy Technology LLC ("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 one (1) exploratory 1280-acre drilling and spacing unit and authorizing one (1) horizontal well, with the option to drill (7) additional horizontal wells, within the 1280-acre exploratory drilling and spacing unit for production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying the following lands. In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.
- 2. Applicant holds the right to operate on the following lands (hereafter the "Application Lands"):

Township 7 North, Range 60 West, 6th P.M.

Section 15: All

Section 16: All

Weld County, Colorado.

A reference map of the Application Lands is attached hereto.

3. The Application Lands are subject to Commission Rule 318.a. which provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. There are no other specific Commission Orders applicable to the Niobrara Formation underlying the Application Lands.

- 4. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish one (1) exploratory drilling and spacing unit of approximately 1280 acres for the Application Lands.
- 5. That the above-proposed exploratory drilling and spacing unit will allow efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. A drilling and spacing unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the drilling and spacing unit.
- 6. That the Applicant is requesting to drill and complete one (1) horizontal well, with the option to drill (7) additional horizontal wells, in the established 1280-acre exploratory drilling and spacing unit comprised of the Application Lands.
- 7. The Applicant is requesting up to four (4) well pads to be located within the proposed unit. The Applicant states that each proposed horizontal well shall be located on the surface anywhere within the drilling and spacing unit. The treated interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the unit (regardless of the lease lines within the unit). All horizontal wells shall be no closer than 150 feet from the treated interval of another well within the unit.
- 8. The Applicant maintains that the proposed horizontal wells will have no adverse effect on correlative rights of adjacent owners.
- 9. That according to the information and belief of the Applicant, the names and addresses of the interested parties hereto are set forth in <u>Exhibit A</u>; and the undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing this Commission enter its order:

- A. Establishing the Application Lands as an approximate 1280-acre exploratory drilling unit for the Niobrara Formation, in which one (1) horizontal well, with the option to drill (7) additional horizontal wells, are authorized to be drilled as necessary to efficiently drain gas and associated hydrocarbon resources, prevent waste, and protect correlative rights.
- B. Providing that the treated interval of the proposed horizontal wells shall be no closer than 600 feet from the boundaries of the unit and not less than 150 feet from the treated interval of another well within the unit and authorizing up to four (4) well pads to be located anywhere within the drilling and spacing unit.
- C. Finding that an approximate 1280-acre exploratory drilling unit for the Niobrara Formation will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara Formation on the Application Lands.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in January 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this day of October, 2012.

Respectfully submitted:

CONDOR ENERGY TECHNOLOGY LLC

By:

Jamie L. Jost

Beatty & Wozniak, P.C. Attorneys for Applicant 216 16th Street, Suite 1100 Denver, Colorado 80202

(303) 407-4499

Applicant's Address:

Condor Energy Technology LLC c/o South Texas Reservoir Alliance ATTN: Angie Galvan 1416 Campbell, Building B, Suite 204 Houston, Texas 77055

VERIFICATION

STATE OF CALIFORNIA)
COUNTY OF Config Cos fa) ss.)

Clark Moore, Executive Vice President, with Condor Energy Technology LLC, 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.

CONDOR ENERGY TECHNOLOGY LLC

Name: Clark Moore

Title: Executive Vice President

Subscribed and sworn to before me this 29 day of October, 2012, by Clark Moore, for Condor Energy Technology LLC.

Witness my hand and official seal.

My commission expires:

VALENTINA BABICHEV COMM. # 1979715 NOTARY PUBLIC . CALIFORNIA CONTRA COSTA COUNTY MY COMM. EXP. MAY 26, 2016

Valenting Balo Cher Notary Public

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

IN THE MATTER OF THE APPLICATION OF CONDOR ENERGY TECHNOLOGY LLC FOR AN ORDER ESTABLISHING AN EXPLORATORY DRILLING AND SPACING UNIT AND ESTABLISHING WELL LOCATION RULES FOR THE NIOBRARA FORMATION LOCATED IN SECTIONS 15 AND 16, TOWNSHIP 7 NORTH, RANGE 60 WEST, 6 TH P.M., AN UNNAMED FIELD, WELD COUNTY, COLORADO))) Cause No)) Docket No))					
AFFIDAVIT OF MAILING						
STATE OF COLORADO)						
CITY AND COUNTY OF DENVER)						
Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:						
That she is the attorney for Condor Energy Technology LLC, that on or before November, 2012, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.						
Subscribed and sworn to before me on October 3 1, 2012.						
Witness my hand and official seal. My commission expires: 10 - 04 - 12	Notary Public					

EXHIBIT A INTERESTED PARTIES

Condor Energy Technology, LLC 3315 Highway 50 Silver Springs, Nevada 89429

Pacific Energy Development Corporation 4125 Blackhawk Plaza Circle, Suite 201A Danville, CA 94506

Esenjay Oil & Gas, Ltd. 500 N. Water Street, Suite 1100 South Corpus Christi, TX 78401

Prima Exploration, Inc. 100 Fillmore Street, Suite 450 Denver, CO 80206

Gene F. Lang&Co. 19751 East Main Street, Suite 334 Parker, CO 80138

Black Land Petroleum, LLC 17190 East Dorado Pl. Centennial, CO 80015

Apple Creek, LLC 335 South York Street Denver, CO 80209

Estate of Malcolm Wood No Address of Record No Address of Record

Fred Ullmann No Address of Record

Margaret L. Mason No Address of Record

Kent Kuster Colorado Department of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530 Fina Oil and Chemical Company 1601 NW Expressway, Ste. 900 Oklahoma City, OK 73118

Carrizo Oil & Gas, Inc. 1000 Louisiana St., Ste. 1500 Houston, TX 77002

New Frontier Energy, Inc. 1789 W. Littleton Blvd. Littleton, CO 80120

Continental Resources, Inc. 302 N. Independence Enid, OK 73701

Prima Exploration, Inc. as nominee for Marshall Resource, LLC 4295 South Fox Street Englewood, CO 80110

Sonny G. Paul No Address of Record

Margaret L. Mason No Address of Record

Kenneth Littlefield and Mary Littlefield No Address of Record

Estate of A.V. Anderson No Address of Record

Michael Warren
Energy Liaison
Colorado Parks and Wildlife
Northwest Regional Office
711 Independent Ave.
Grand Junction, CO 81505

David Bauer Weld County 1111 H Street Greeley, CO 80632

Proposed 1280 Acre Spacing Units

Township 7 North, Range 59 West, 6th PM &

Township 7 North, Range 60 West, 6th PM

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Legend

Property Location



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

IN THE MATTER OF THE APPLICATION OF CONDOR ENERGY TECHNOLOGY LLC FOR AN ORDER ESTABLISHING AN EXPLORATORY DRILLING AND SPACING UNIT AND ESTABLISHING WELL LOCATION RULES FOR THE NIOBRARA FORMATION LOCATED IN SECTIONS 15 AND 16, TOWNSHIP 7 NORTH, RANGE 60 WEST, 6 TH P.M., AN UNNAMED FIELD, WELD COUNTY, COLORADO)) CAUSE NO. 535)) DOCKET NO. 1301-SP-01)))
SUPPLEMENTAL AFFIDAVIT	OF MAILING
STATE OF COLORADO)	
CITY AND COUNTY OF DENVER)	
Jamie L. Jost of lawful age, and being first declares:	uly sworn upon her oath, states and
That she is the attorney for Condor Energy Techn, 2012, she caused a copy of the attached Application Mail, postage prepaid, addressed to the parties listed below.	on to be deposited in the United States
TOTAL E&P USA, Inc. 1201 Louisiana, Suite 1800 Houston, TX 77002	Famil Tet
	e C. Jost
Subscribed and sworn to before me on November	<u>28</u> , 2012.
Witness my hand and official seal.	
My commission expires: 6/15/13	
(VITALISES TO LIBERT CONTINUE TO LIBERT CONTINUE TO THE ANY PRODUCT OF	Janen Ellej
WARREN E. MAJOR Notai NOTARY PUBLIC STATE OF COLORADO	ry Public