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 1) VACATING A PORTION OF)	Cause No
ORDER NO 407-642, 2) ESTABLISHING AN)	
EXPLORATORY 1280-ACRE DRILLING AND)	Docket No
SPACING UNIT AND 3) AUTHORIZING UP)	
TO EIGHT (8) HORIZONTAL WELLS FOR)	
THE NIOBRARA FORMATION LOCATED IN)	
SECTIONS 13 AND 24, TOWNSHIP 7)	
NORTH, RANGE 60 WEST, 6 TH P.M., AN)	
UNNAMED FIELD, MORGAN 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: 1) vacating a portion of Order No. 407-64; 2) establishing one exploratory 1280-acre drilling and spacing unit; and 3) authorizing one (1) horizontal well, with the option to drill seven (7) additional horizontal wells, within the 1280-acre drilling and spacing unit for production of oil, gas and associated hydrocarbons from the Niobrara Formation underlying the below-described Application 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 13: All Section 24: 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. Section 24, Township 7 North, Range 60 West is subject to Rule 318.a.

- 4. On May 29, 2012, the Commission issued Order Nos. 407-642 & 535-163 which, among other things, authorized up to four horizontal wells within each of four approximate 640-acre drilling and spacing units. Section 13, Township 7 North, Range 60 West, is subject to this Order for the Niobrara Formation.
- 5. Applicant requests that Order Nos. 4407-642 & 535-163 be vacated as to Section 13, Township 7 North, Range 60 West.
- 6. Applicant also requests that, to promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission establish one exploratory drilling and spacing unit of approximately 1280-acres for the Application Lands.
- 6. 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.
- 7. Applicant also requests to drill and complete one horizontal well, with the option to drill seven (7) additional horizontal wells, in the established 1280-acre exploratory drilling and spacing unit comprised of the Application Lands.
- 8. Applicant states that each proposed horizontal well shall be located on the surface anywhere within the drilling and spacing unit.
- 9. In accordance with Rule 318, Applicant will locate and drill the wells so that the treated interval of the horizontal wells is no closer than 600 feet from the boundaries of the units. Applicant requests that the 1,200 foot internal wellbore setback of Rule 318 be relaxed so that the treated interval of the horizontal wells may be separated by a minimum of 150 feet.
- 10. Applicant is requesting that up to eight (8) well pads be located within the proposed unit for production of oil, gas, and associated hydrocarbons from the Niobrara Formation in the Application Lands.
- 11. Applicant maintains that the proposed horizontal wells will have no adverse effect on correlative rights of adjacent owners.
- 12. That according to the information and belief of the Applicant, the names and addresses of the interested parties hereto are set forth in Exhibit A; 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. Vacating Order Nos. 407-642 & 535-163 as to Section 13, Township 7 North, Range 60 West.-
- B. Establishing the Application Lands as an approximate 1280-acre exploratory drilling unit for the Niobrara Formation, in which one horizontal well, with the option to drill seven (7) additional horizontal wells, is authorized to efficiently drain gas and associated hydrocarbon resources, prevent waste, and protect correlative rights.
- C. 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 eight (8) well pads to be located anywhere within the drilling and spacing unit.
- D. 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.
- E. 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 February 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 December, 2012.

Respectfully submitted:

CONDOR ENERGY TECHNOLOGY LLC

By:

Jamie L. Jost

Beatty & Wozniak, P.C.

Attorney 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)	SS.
	sident, with Condor Energy Technology LLC, upon oath foregoing Application and that the statements contained ge, information and belief.
	CONDOR ENERGY TECHNOLOGY LLC
	Name: Clark Moore Title: Executive Vice President
Subscribed and sworn to before reformed for Condor Energy Te	me this $\underline{\hspace{1.5cm}/\hspace{1.5cm}3}$ day of December, 2012, by Clark Moore chnology LLC,
Witness my hand and official seal.	
My commission expires: May 26, 1	4016
VALENTINA BABICHEV COMM. # 1979715 NOTARY PUBLIC - CALIFORNIA CONTRA COSTA COUNTY MY COMM. EXP. MAY 26, 2016	Valentina Kabiden

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 1) VACATING A PORTION OF ORDER NO 407-642, 2) ESTABLISHING AN EXPLORATORY 1280-ACRE DRILLING AND SPACING UNIT AND 3) AUTHORIZING UP TO EIGHT (8) HORIZONTAL WELLS FOR THE NIOBRARA FORMATION LOCATED IN SECTIONS 13 AND 24, TOWNSHIP 7 NORTH, RANGE 60 WEST, 6 TH P.M., AN UNNAMED FIELD, MORGAN 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 declares:	g first duly sworn upon her oath, states and		
That she is the attorney for Condor December, 2012, she caused a copy of the United States Mail, postage prepaid, add the Application.			
Subscribed and sworn to before me on December <u>/</u> 3_, 2012.			
Witness my hand and official seal.			
My commission expires: April 16,	Martia A Xaii Notary Public		

EXHIBIT A INTERESTED PARTIES

Sonny Paul PO Box 114 La Salle, CO 80645

James K. Ullmann and Sherry K. Ullmann 119 N. Fremont Ave. Johnston, CO 80206

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Antelope Energy Company, LLC Seymour Hootkins, Trustee 407 N. Big Spring, Ste. 240 Midland, TX 78701

Lois J. Quam and Amanda F. Quam, as Trustees of The Quam Management Trust Amanda F. Quam 12938 Kingsbridge Lane Houston, TX 77077

Louis J. Wuam No address of Record

Carl Burdett Bruehne No Address of Record

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Pacific Energy Development Corp. 4125 Blackhawk Plaza Circle, Ste. 201A Danville, CA 94506 Winn Exploration Co., Inc. 800 North Shoreline Blvd., Ste 1900 North Denver, CO 80206

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Great Western Oil & Gas Company 1700 Broadway, Suite 650 Denver, CO 80290

Crain Energy, Ltd. 222 East Tyler St. Longview, TX 75606

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

Lacy Properties, Ltd. 222 East Tyler St. Longview, TX 75606 Gene F. Lang & Co. Parker Station 19751 East Mainstreet, Ste. 334 Parker, CO 80138

Apple Creek, LLC 335 South York St. Denver, CO 80209

Blackland Petroleum, LLC 17190 East Dorado Pl. Centennial, CO 80015

Prima Exploration, Inc. as Nominee for Marshall Resources, LLC 4295 South Fox St. Englewood, CO 80110

Rodeo Energy Partners, LLC PO Box 4782 Houston, TX 77056

Marathon Oil Company 5555 San Felipe Englewood, CO 80155

Tindall Operating Company 12741 East Caley Ave. Centennial, CO 80111 Richardson Production Company 1700 Lincoln St., Ste. 1700 Denver, CO 80203

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Ravco, Inc. 3756 Bratton Corpus Christi, TX 78413

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The United Methodist Church of Wray 500 Blake Street Wray, CO 80758

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Todd R. Ullmann 800 Fairlane Ave., #B Greeley, CO 80634

Patty Ford 2202 69th Ave Longmont, CO 80501

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

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