

**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 640-ACRE DRILLING AND)
SPACING UNIT AND ESTABLISHING WELL) Docket No. _____
LOCATION RULES FOR THE NIOBRARA)
FORMATION LOCATED IN SECTION 9,)
TOWNSHIP 6 NORTH, RANGE 60 WEST, 6TH)
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 establishing one exploratory 640-acre drilling and spacing unit and authorizing one (1) horizontal well, with the option to drill three (3) additional horizontal wells, within the 640-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 6 North, Range 60 West, 6th P.M.
Section 9: All

Morgan 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 exploratory drilling and spacing unit of approximately 640-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 horizontal well, with the option to drill three (3) additional horizontal wells, in the established 640-acre exploratory drilling and spacing unit comprised of the Application Lands.

7. The Applicant states that each proposed horizontal well shall be located on the surface anywhere within the drilling and spacing unit.

8. 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.

9. The Applicant is requesting up to four (4) well pads to be located within the proposed unit for production of oil, gas, and associated hydrocarbons from the Niobrara Formation in the Application Lands.

10. The Applicant maintains that the proposed horizontal wells will have no adverse effect on correlative rights of adjacent owners.

11. 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. Establishing the Application Lands as an approximate 640-acre exploratory drilling unit for the Niobrara Formation, in which one horizontal well, with the option to drill three (3) additional horizontal wells, is authorized 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 640-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 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 13th 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)
) ss.
COUNTY OF _____)

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

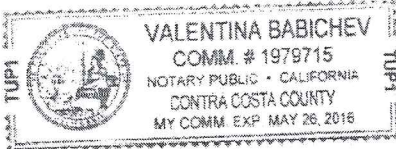


Name: Clark Moore
Title: Executive Vice President

Subscribed and sworn to before me this 13 day of December, 2012, by Clark Moore,
_____ for Condor Energy Technology LLC.

Witness my hand and official seal.

My commission expires: May 26, 2016



Valentina Babichev
Notary Public

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AN EXPLORATORY 640-ACRE)
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ESTABLISHING WELL LOCATION)
RULES FOR THE NIOBRARA)
FORMATION LOCATED IN SECTION 9,)
TOWNSHIP 6 NORTH, RANGE 60)
WEST, 6TH P.M., AN UNNAMED FIELD,)
MORGAN COUNTY, COLORADO)

Cause No. _____

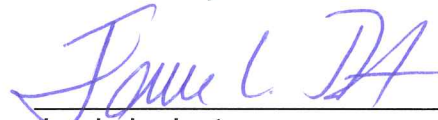
Docket No. _____

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
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 December __, 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.

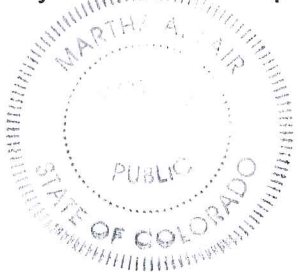


Jamie L. Jost

Subscribed and sworn to before me on December 13, 2012.

Witness my hand and official seal.

My commission expires: April 16, 2016.





Notary Public

EXHIBIT A
INTERESTED PARTIES

Catherine Patricia Trask
8012 Juniper
Shawnee Mission, KS 66208

Ralph V. St. John
PO Box 4602
Jackson, MS 39296

Esenjay Minerals, Ltd.
500 N. Water St., Ste 1100S
Corpus Christi, TX 78471

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

Winn Exploration Co., Inc.
800 North Shoreline Blvd., Ste. 1900 N
Corpus Christi, TX 78401

Crain Energy, Ltd.
222 East Tyler St.
Longview, TX 7606

Marathon Oil Company
5555 San Felipe
Houston, TX 77056

Vecta Oil & Gas, Ltd.
222 East Tyler St.
Dallas, TX 75235

Lacy Properties, Ltd.
5950 Cedar Springs Road, Suite 100
Longview, TX 75605

Foreland Resources, LLC
5950 Cedar Springs Rd., Ste. 100
Dallas, TX 75235

Ravco, Inc.
3756 Bratton
Corpus Christi, TX 78413

Arentee Investments
20124 Hwy 124
Jonesville, LA 71343

Schibi Oil & Gas, Ltd.
4706 Grand Lake
Corpus Christi, TX 78413

WYOCO Royalty Partners, LLC
PO Box 280969
Lakewood, CO 80228

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

Prima Exploration, Inc.
100 Fillmore, St. Ste. 450
Denver, CO 80206

Gene F. Lang & Co
Parker Station 19751
East Mainstreet, Ste. 334
Parker, CO 80138

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

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

Todd G. Wickstrom
33040 MCR#4
Orchard, CO 80649

Delbert Schmidt
715 Murchy Place
Fort Morgan, CO 80701

Evelyn M. Schwisow
22795 Highway 392
Greeley, CO 80631

Centennial Mineral Holdings, LLC
5950 Cedar Springs Rd., Ste. 200
Dallas, TX 75235

Cary L. Wickstrom
33040 MCR#4
Orchard, CO 80649

Patricia R. Wickstrom
33040 MCR#4
Orchard, CO 80649

Karen Haley, as Trustee of the Karen R. Haley
Revocable Trust
9550 East Orchard Dr.
Greenwood Village, CO 80111

John Frederick Schmidt
4374 D Whittier Rd.
Clayton, WA 99110

McMahon Energy Partners, LP
4545 Monaco St., No. 144
Denver, CO 80237

Tofte Energy Partners, LP
PO Box 4221
Casper, WY 82604

Gloria Spurlock
4618 Warwick Blvd., Apt. 2C
Kansas City, MO 64112

Donald Wickstrom
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Orchard, CO 80649

Richard W. Mann and Laurilla J. Mann
23510 Highway 257
Milliken, CO 80543

Mary Ann Gablehouse
3120 58th Ave. Court
Greeley, CO 80634

Dakota-Tex Oil Company
4545 S. Monoco St., No. 144
Denver, CO 80237

Patricia A. Wickstrom
33178 County Rd. 3
Orchard, CO 80293

Centennial Mineral Holding, LLC
5950 Cedar Springs Rd., Ste. 200
Dallas, TX 75235

John Crosthwait
Morgan County Planning and Zoning
231 Ensign Street
Fort Morgan, CO 80701

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

Kent Kuster
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530