

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

IN THE MATTER OF THE APPLICATION OF)	
EE3 LLC FOR AN ORDER ESTABLISHING)	
AN APPROXIMATE 640-ACRE DRILLING)	Cause No.
AND SPACING UNIT AND ESTABLISHING)	
WELL LOCATION RULES FOR THE)	Docket No.
FRONTIER FORMATION LOCATED IN)	
SECTION 30, TOWNSHIP 7 NORTH, RANGE)	
80 WEST, 6TH P.M., AN UNNAMED FIELD,)	
JACKSON COUNTY, COLORADO)	

APPLICATION

EE3 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 an approximate 640-acre drilling and spacing unit and authorizing one (1) vertical well with the option to drill up to three (3) additional horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons within the unit for production of oil, gas and associated hydrocarbons from the Frontier Formation underlying the below-described 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 "Application Lands"):

Township 7 North, Range 80 West, 6th P.M.
Section 30: All

Jackson County, Colorado.

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 Frontier Formation underlying the Application Lands.

4. The Frontier Formation in this area is defined as the stratigraphic equivalent of the interval between 7301' and 7630' as found in the Judy 1-30 Well, located in the SE¼ of Section 30, Township 7 North, Range 80 West. The Frontier Formation is a common source of supply underlying the Application Lands.

5. To promote efficient drainage within the Frontier Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 640-acre drilling and spacing unit for the Application Lands.

6. That the above-proposed unit will allow efficient drainage of the Frontier 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. The 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 unit.

7. That the Applicant is requesting to drill and complete one (1) vertical well with the option to drill up to three (3) additional horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons within the 640-acre unit comprised of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.

8. The Applicant maintains that there be no more than four (4) well pads on the Application Lands, unless an exception is granted by the Director. 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.

9. 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 drilling and spacing unit for the development of the Frontier Formation, wherein one (1) vertical well with the option to drill up to three (3) additional horizontal wells within the 640-acre drilling and spacing unit are authorized as necessary to efficiently produce oil, gas and associated hydrocarbon resources from the unit, prevent waste, and protect correlative rights.

B. Providing that no more than four (4) well pads on the Application Lands are authorized with the treated interval of any horizontal well 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 one well pad per quarter section on the Application Lands, unless an exception is granted by the Director.

C. Finding that the 640-acre drilling and spacing unit for the Frontier Formation will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Frontier Formation on the Application Lands.

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

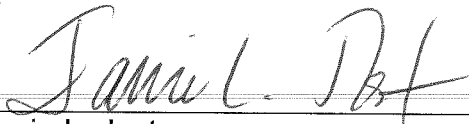
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in May 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this 7th day of March, 2013.

Respectfully submitted:

EE3 LLC

By: _____



Jamie L. Jost
Gregory J. Nibert Jr.
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:

EE3 LLC
ATTN: Douglas Sandridge
4410 Arapahoe Ave. Suite 100
Boulder, CO 80303

VERIFICATION

STATE OF COLORADO)
)
CITY AND COUNTY OF BOULDER) ss.

Richard McClure, of lawful age, being first duly sworn upon oath, deposes and says that he is the President of EE3 LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

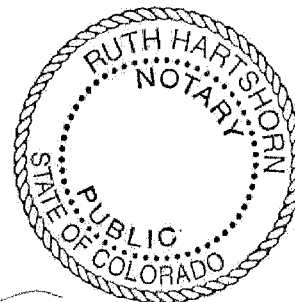
Rich McClure

Richard McClure

Subscribed and sworn to before me this 7th day of March, 2013.

Witness my hand and official seal.

My commission expires: 03/11/2014



Ruth Hartshorn

Notary Public

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

IN THE MATTER OF THE APPLICATION)
OF EE3 LLC FOR AN ORDER)
ESTABLISHING AN APPROXIMATE 640-) Cause No. _____
ACRE DRILLING AND SPACING UNIT)
AND ESTABLISHING WELL LOCATION) Docket No. _____
RULES FOR THE FRONTIER)
FORMATION LOCATED IN SECTION 30,)
TOWNSHIP 7 NORTH, RANGE 80)
WEST, 6TH P.M., AN UNNAMED FIELD,)
JACKSON COUNTY, COLORADO)

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

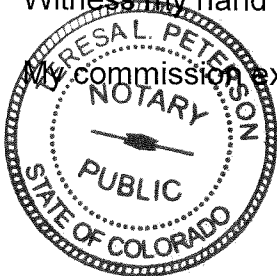
Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for EE3 LLC, that on or before March 15, 2013, 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
Jamie L. Jost

Subscribed and sworn to before me on March 1, 2013.

Witness my hand and official seal.



My commission expires: 10-04-13.

Teresa L. Peterson
Notary Public

EXHIBIT A
INTERESTED PARTIES

EE3 LLC
ATTN: Douglas Sandridge
4410 Arapahoe Ave. Suite 100
Boulder, CO 80303

Red Willow Production Co.
14933 Highway 172
P.O. Box 369
Ignacio, CO 81137

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

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

Wm Kent Crowder
Jackson County Administrator
PO Box 1019
Walden, CO 80480

EE3 LLC

Reference Map

Proposed Drilling and Spacing Units
Township 7 North, Range 80 West, 6th P.M.

