

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

IN THE MATTER OF AN APPLICATION FOR AN	)	CAUSE NO. 535
ORDER TO ESTABLISH AN APPROXIMATE 640-	)	
ACRE DRILLING AND SPACING UNIT	)	DOCKET NO. <i>To be assigned</i>
AUTHORIZING THE DRILLING OF UP TO EIGHT (8)	)	
HORIZONTAL WELLS FOR SECTION 25, TOWNSHIP	)	
6 NORTH, RANGE 60 WEST, 6 TH P.M., FOR	)	
PRODUCTION FROM THE NIOBRARA FORMATION,	)	
UNNAMED FIELD, MORGAN COUNTY, COLORADO	)	

APPLICATION

Prima Exploration, Inc. ("Prima" or "Applicant"), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to establish an approximate 640-acre drilling and spacing unit for Section 25, Township 6 North, Range 60 West, 6th P.M., and approve the drilling of up to eight (8) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 6 North, Range 60 West, 6th P.M.
Section 25: All

These lands are hereinafter referred to as the "Application Lands." Exhibit A, attached hereto, is the Application Map which depicts the location of said Application Lands.

3. The Application Lands are unspaced with respect to the Niobrara Formation, which is a common source of supply underlying said lands and, as such, Rule 318.a. applies to said lands and under said rule, wells greater than 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall not be located less than 1,200 feet from any other producible or drilling well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

4. Applicant requests an order establishing an approximate 640-acre drilling and spacing unit for the Application Lands, and the authority to drill up to eight (8) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be no closer than 600 feet from the proposed unit boundaries and an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director. Applicant further alleges that there are no existing wells producing from the Niobrara Formation within the proposed unit.

5. That in order to promote efficient drainage of the Niobrara Formation underlying the Application Lands, to prevent waste, and to protect correlative rights, the Commission should establish the approximate 640-acre drilling and spacing unit requested herein for the drilling and completion of up to eight (8) horizontal wells within the unit. The requested drilling and spacing unit for the Application Lands is not smaller than the maximum area that can be economically and efficiently drained by up to eight (8) horizontal wells.

6. The granting of this application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

7. That the names and addresses of the interested parties (owners within the proposed drilling and spacing unit) are attached hereto and marked Exhibit B. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

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

A. Establishing an approximate 640-acre drilling and spacing unit for the Application Lands, and approve of up to eight (8) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be no closer than 600 feet from the unit boundaries and an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 26th day of March, 2013.

Respectfully submitted,

PRIMA EXPLORATION, INC.

By: 

Robert A. Willis (Colorado Bar No. 26308)
Burleson LLP
Wells Fargo Center
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(303) 801-3200

Applicant's Address:
Prima Exploration, Inc.
Scott Homsher, Land Manager
100 Fillmore Street, Suite 450
Denver, CO 80206

VERIFICATION

STATE OF COLORADO

)

) SS.

CITY & COUNTY OF DENVER

)

Scott Homsher, Land Manager for Prima Exploration, Inc., 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.

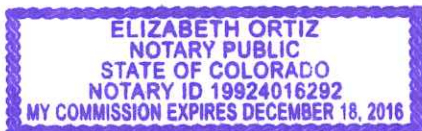
PRIMA EXPLORATION, INC.


Scott Homsher

Subscribed and sworn to before me this 25th day of March, 2013, by Scott Homsher,
Land Manager for Prima Exploration, Inc.

Witness my hand and official seal.

My commission expires: December 18, 2016



Elizabeth Ortiz
Elizabeth Ortiz, Notary Public

Application Lands - Sec. 25, T6N, R60W
Morgan County

Exhibit A
Application Map

13	18	17	16	15	14	13	18	17
24	19	20	T6N R60W 21 22	23	24	25	19	20
25	30	29		26	25	26	30	29
36	31	32	33	34	35	36	31	32
1	6	5	4	3	2	1	6	5
12	7	8	T5N R60W 9 10	11	12	13	7	8
13	18	17		16	15	14	18	17

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 25, Township 6 North, Range 60 West, 6th P.M.) according to the information and belief of the Applicant are set forth in this Exhibit B.

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