## 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 TO VACATE A 640-ACRE )	Cause No.
EXPLORATORY DRILLING AND SPACING )	
UNIT ESTABLISED BY ORDER 535-144,	Docket No.
VACATE THE POOLING OF A 640-ACRE )	
EXPLORATORY DRILLING AND SPACING )	
UNIT BY ORDER 535-154 AND ESTABLISH )	
AN APPROXIMATE 1280-ACRE )	
EXPLORATORY DRILLING AND SPACING )	
UNIT FOR SECTIONS 29 AND 32, )	
TOWNSHIP 7 NORTH, RANGE 59 WEST, 6 <sup>TH</sup> )	
P.M., FOR THE NIOBRARA FORMATION, )	
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 1) vacate an approximate 640-acre exploratory drilling and spacing unit established by Order No. 535-144; 2) vacate the pooling of the approximate 640-acre exploratory drilling and spacing unit established by Order No. 535-154; and 3) establish an approximate 1280-acre exploratory drilling and spacing unit, with the right to drill and complete a total of eight (8) horizontal wells in the 1280-acre exploratory drilling and spacing unit for 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 59 West, 6th P.M.

Section 29: All Section 32: All

1,280 acres, more or less, Weld County, Colorado.

3. Section 29 of 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.

- 4. On March 5, 2012, the Commission entered Order No. 535-144 which, among other things, established three approximate 640-acre exploratory drilling and spacing units for certain described lands, including Section 32 of the Application Lands, and authorized up to two horizontal wells in each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 5. On March 5, 2012, the Commission entered Order No. 535-154 which, among other things, pool all interests in an approximate 640-acre exploratory drilling and spacing unit consisting of Section 32 of the Application Lands, for the development and operation of the Niobrara Formation.
- 6. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should vacate Order Nos. 535-144 and 535-154 and establish an approximate 1280-acre exploratory drilling and spacing unit for the Application Lands.
- 7. That the above-proposed 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. 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.
- 8. That the Applicant is requesting to drill and complete up to a total of eight (8) wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons within the 1,280-acre exploratory drilling and spacing unit comprised of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.
- 9. The Applicant maintains that there be no more than eight (8) wellpads located within the unit, with the treated interval of each proposed horizontal well located no closer than 600 feet from the boundaries of the unit (regardless of the lease lines within the unit) and not closer than 150 feet from the treated interval of another well within the unit, without exception being granted by the Director.
- 10. 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. Vacating Order Nos. 535-144 and 535-154 as they apply to Section 32, Township 7 North, Range 59 West, 6<sup>th</sup> P.M..

- B. Establishing the Application Lands as an approximate 1280-acre exploratory drilling and spacing unit for the development of the Niobrara Formation, wherein a total of eight (8) horizontal wells within the unit are approved as necessary to efficiently produce oil, gas and associated hydrocarbon resources from the unit, prevent waste, and protect correlative rights.
- C. Providing that there be no more than eight (8) wellpads located within the unit, with the treated interval of each proposed horizontal well located no closer than 600 feet from the boundaries of the unit (regardless of the lease lines within the unit) and not closer than 150 feet from the treated interval of another well within the unit, without exception being granted by the Director.
- D. Finding that the 1280-acre exploratory drilling and spacing unit 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 June 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 Aday of April, 2013.

Respectfully submitted:

CONDOR ENERGY TECHNOLOGY 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:

Condor Energy Technology LLC c/o South Texas Reservoir Alliance ATTN: Angie Galvan 1416 Campbell, Building B, Suite 208 Houston, Texas 77055

### **VERIFICATION**

STATE OF CALIFORNIA ) ) ss.				
COUNTY OF CALIFORNIA )				
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				
Clark Moore Executive Vice President				
Subscribed and sworn to before me this <u>\langle 2013</u> for Condor Energy Technology LLC.				
Witness my hand and official seal.				
My commission expires: Moy 26, 2016  VALENTINA BABICHEV COMM. # 1979715 NOTARY PUBLIC • CALIFORNIA CONTRA COSTA COUNTY MY COMM. EXP. MAY 26, 2016				
Valentina Baff 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 TO VACATE A 640-ACRE EXPLORATORY DRILLING AND SPACING UNIT ESTABLISED BY ORDER 535-144, VACATE THE POOLING OF A 640-ACRE EXPLORATORY DRILLING AND SPACING UNIT BY ORDER 535-154 AND ESTABLISH AN APPROXIMATE 1280-ACRE EXPLORATORY DRILLING AND SPACING UNIT FOR SECTIONS 29 AND 32, TOWNSHIP 7 NORTH, RANGE 59 WEST, 6 <sup>TH</sup> P.M., FOR THE NIOBRARA FORMATION, UNNAMED FIELD, WELD COUNTY, COLORADO	) ) ) Cause No ) Docket No ) ) ) ) ) ) ) ) ) ) ) ) ) ) )
AFFIDAVIT	OF MAILING
STATE OF COLORADO ) )ss. CITY AND COUNTY OF DENVER )	
,	ng first duly sworn upon her oath, states and
April $\mathcal{M}$ , 2013, she caused a copy of the	Energy Technology LLC, that on or before attached Application to be deposited in the essed to the parties listed on Exhibit A to the Jamie L. Jost
Subscribed and sworn to before me	on April <u>//</u> 8, 2013.
Witness my hand and official seal.  My commission expires: April 11	<u>Matha A San</u> Notary Public

# EXHIBIT A INTERESTED PARTIES

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

Condor Energy Technology LLC c/o STXRA 1416 Campbell Building B, Ste. 208 Houston, TX 77055

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

Jud O. Roberts Living Trust 260 S. Loe Robles Ave. Suite 114 Pasadena, CA 91101

Jud Orendorff and Marilyn Hubbard Roberts Trustees of the Roberts Living Trust 260 S. Loe Robles Ave. Suite 114 Pasadena, CA 91101

Colorado Dept. of Public Health & Environment ATTN: Kent Kuster 4300 Cherry Creek Drive South Denver, Colorado 80246-1530

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

Weld County Colorado ATTN: David Bauer 1111 H Street Greeley, CO 80632

### June 17&18, 2013 Hearing Date

### Proposed 640 and 1280 Acre Spacing Units

Township 7 North,
Range 59 West, 6<sup>th</sup> PM
&
Township 6 North,
Range 60 West, 6<sup>th</sup> PM

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Legend		
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