

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

IN THE MATTER OF THE APPLICATION OF
DAKOTA EXPLORATION, LLC FOR AN
ORDER TO ESTABLISH AN APPROXIMATE
640-ACRE DRILLING AND SPACING UNIT
FOR SECTION 2, TOWNSHIP 11 NORTH,
RANGE 59 WEST 6TH P.M., FOR THE
NIOBRARA FORMATION, UNNAMED FIELD,
WELD COUNTY, COLORADO

Cause No.

Docket No.

APPLICATION

Dakota Exploration, LLC ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Colorado Oil and Gas Conservation Commission (the "Commission"), pursuant to C.R.S. 34-60-116, for an order to establish an approximate 640-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation in the following lands:

Township 11 North, Range 59 West, 6th P.M.
Section 2: All

Weld County, Colorado ("Application Lands").

In support thereof, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
2. Applicant holds the right to operate in the Application Lands. A reference map of the Application Lands is attached hereto.
3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in 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. Applicant requests that the Commission establish an approximate 640-acre drilling and spacing unit on the Application Lands for the development and operation of the Niobrara Formation.
5. Applicant requests that it be authorized to drill and complete four (4) horizontal wells within the section on the Application Lands with no more than one wellpad located within each quarter quarter unit, and the treated interval of the horizontal well located no closer than 600' from the boundaries of the drilling and spacing unit, without exception being granted by the Director.

6. Applicant asserts that establishing an approximate 640-acre drilling and spacing units on the Application Lands will allow for economic and efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil and associated hydrocarbon substances from the Niobrara Formation. The 640-acre drilling and spacing units are not smaller than the maximum area that can be economically and efficiently drained by the proposed well in the Niobrara Formation within each unit.

7. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next 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 the Application Lands as an approximate 640-acre drilling and spacing unit for the Niobrara Formation and authorizing four (4) horizontal wells within the unit, with no more than one wellpad located within each quarter quarter section.

B. Providing that the treated interval of the horizontal well shall be no closer than 600' from the boundaries of the drilling and spacing unit.

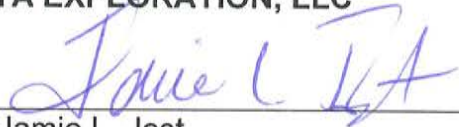
C. Finding that the approximate 640-acre drilling and spacing units will prevent waste, protect correlative rights, and will maximize the efficient and economic production of the Niobrara Formation on the Application Lands; and

D. Granting any other relief as may be appropriate.

Dated this 20th day of May, 2013.

Respectfully submitted,

DAKOTA EXPLORATION, 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:

Dakota Exploration, LLC

ATTN: Jake Cinnamon

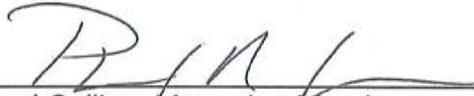
8801 S. Yale Ave., Suite 120

Tulsa OK 74137

VERIFICATION

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

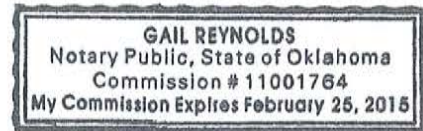
Paul Collins, of lawful age, being first duly sworn upon oath, deposes and says that he is Managing Member of Dakota Exploration, LLC, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Paul Collins, Managing Member
Dakota Exploration, LLC

Subscribed and sworn to before this 30th day of May, 2013.

Witness my hand and official seal.

[SEAL]



My commission expires: 2/25/2015


Notary Public

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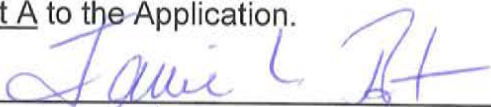
Docket No.

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 Dakota Exploration, LLC, that on or before June 7, 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.

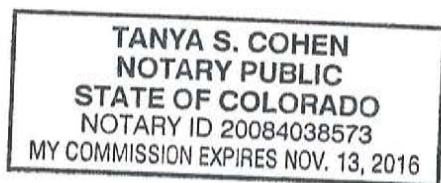


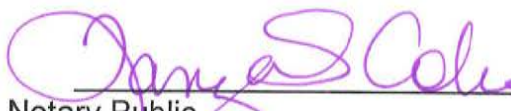
Jamie L. Jost

Subscribed and sworn to before me on May 30, 2013.

Witness my hand and official seal.

My commission expires: 11/13/2016.





Notary Public

EXHIBIT A
INTERESTED PARTIES

D&J Oil Company, Inc.
P.O. Box 10129
Enid, OK 73706

Rex Energy Rockies LLC
476 Rolling Ridge Drive, Suite 300
State College, PA 16801

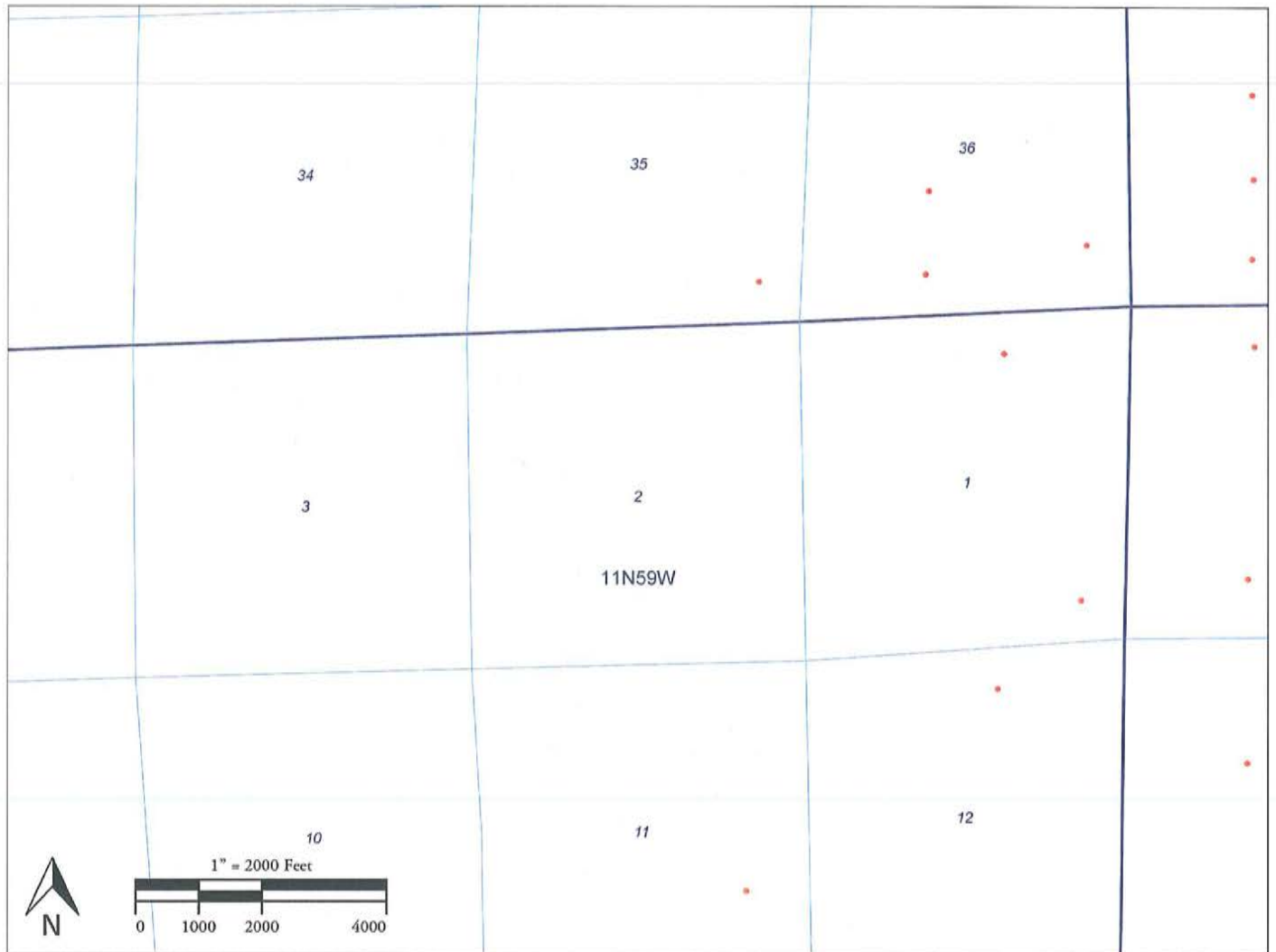
Kent Kuster
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Tom Schreiner
Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
6060 Broadway
Denver, CO 80216

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

Reference Map
Dakota Exploration, LLC

Section 2, Township 11 North, Range 59 West, 6th P.M.



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WELD COUNTY, COLORADO

Docket No. 1307-SP-1140

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

Bureau of Land Management
2850 Youngfield St.
Lakewood, CO 80215

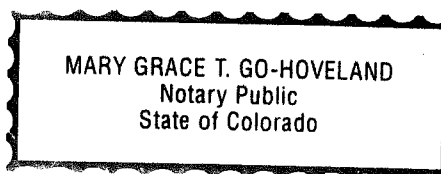

Gregory J. Nibert, Jr.

Subscribed and sworn to before me June 28, 2013.

Witness my hand and official seal.

My commission expires: 3/31/15


Notary Public



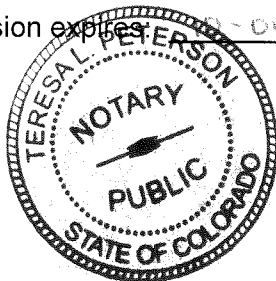
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STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)


Gregory J. Nibert, Jr.

My commission expires: SEP-04-13



Teresa L. Peterson
Notary Public