

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

IN THE MATTER OF THE APPLICATION OF	)	
EE3 LLC FOR AN ORDER TO ESTABLISH	)	Cause No.
TWO APPROXIMATE 640-ACRE DRILLING	)	
AND SPACING UNITS FOR SECTIONS 29	)	Docket No.
AND 32, TOWNSHIP 7 NORTH, RANGE 80	)	
WEST, 6TH P.M., FOR THE FRONTIER	)	
FORMATION, 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") pursuant to C.R.S. 34-60-116, for an order to establish an two approximate 640-acre drilling and spacing units for production of oil, gas and associated hydrocarbons from the Frontier Formation in the following lands:

Township 7 North, Range 80 West, 6<sup>th</sup> P.M.  
Section 29: All (DSU#1)

Section 32: All (DSU#2)

Jackson County, Colorado (hereinafter "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 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 wells 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 applicable Rules or Orders for the Frontier Formation.
4. Applicant requests that the Commission establish two approximate 640-acre drilling and spacing units for the Application Lands for the development and operation of the Frontier Formation.

5. Applicant requests that it be authorized to drill and complete up to three (3) wells to the Frontier Formation within each 640-acre drilling and spacing unit comprised of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.

6. The Applicant maintains that there be no more than three well pads per section with the treated interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the units (regardless of the lease lines within the unit) and no closer than 150 feet from the treated interval of another well within the units, unless an exception is granted by the Director.

7. That the above-proposed drilling and spacing units 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 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 unit.

8. 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 two approximate 640-acre drilling and spacing units for the Application Lands, and approving up to three (3) wells to the Frontier Formation within each 640-acre drilling and spacing unit.

B. Providing that there be no more than three (3) wellpads on per section, 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; unless an exception is granted by the Director.

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

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

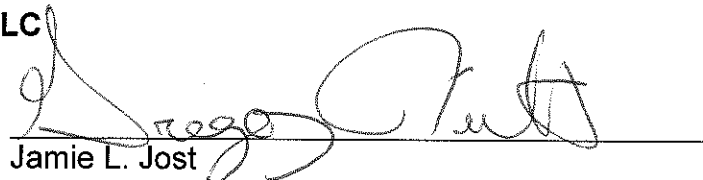
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this \_\_\_\_ day of July, 2013.

Respectfully submitted:

EE3 LLC

By:

A handwritten signature in black ink, appearing to read "Gregory J. Nibert Jr.", is written over a horizontal line.

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,

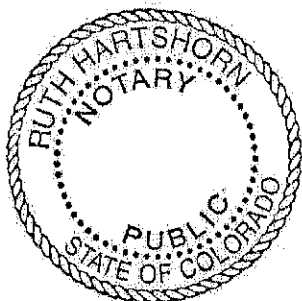
*Rich McClure*

Richard McClure, President

Subscribed and sworn to before me this 18<sup>th</sup> day of July, 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 TO ESTABLISH )  
TWO APPROXIMATE 640-ACRE DRILLING ) Cause No.  
AND SPACING UNITS FOR SECTIONS 29 AND )  
32, TOWNSHIP 7 NORTH, RANGE 80 WEST, ) Docket No.  
6TH P.M., FOR THE FRONTIER FORMATION, )  
UNNAMED FIELD, JACKSON COUNTY, )  
COLORADO )

AFFIDAVIT OF MAILING

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

Gregory J. Nibert, Jr. of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for EE3 LLC, that on or before July 25, 2013, he 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.

  
\_\_\_\_\_  
Gregory J. Nibert, Jr.

Subscribed and sworn to before me on July 18, 2013.

Witness my hand and official seal.

My commission expires: 3/3/15.

  
\_\_\_\_\_  
Notary Public

MARY GRACE T. GO-HOVELAND  
Notary Public  
State of Colorado

EXHIBIT A  
INTERESTED PARTIES

EE3 LLC  
4410 Arapahoe Ave. Suite 100  
Boulder, CO 80303

Shawn C., Judy A. Heringer, as Joint Tenants  
1818 Poly Drive  
Billings, MT 59102

Rosalie A. Murinko  
P.O. Box 1074  
425 Garfield Street  
Walden, CO 80480

T. Hamilton Reidy & T. Hamilton Reidy and  
Barbara T. Jaicks Marital Trust, James S.  
Jarvis as Trustee  
330 N Wabash St., Suite 1770  
Chicago, IL 60611

Universal Resources Corporation  
1331 17th St., Suite 800  
Denver, CO 80202

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