

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	)	
AN APPROXIMATE 640-ACRE DRILLING	)	Cause No.
AND SPACING UNIT AND APPROVE ONE	)	
VERTICAL WELL AND UP TO THREE	)	Docket No.
HORIZONTAL WELLS FOR SECTION 30,	)	
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") for an order to establish an approximate 640-acre drilling and spacing unit and approve 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 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, 6<sup>th</sup> P.M.  
Section 30: All

Jackson County, Colorado.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. 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, the treated interval of each proposed horizontal well shall be no closer than 600 feet from the unit boundaries and no closer than 150 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.

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, the treated interval of each proposed horizontal well shall be no closer than 600 feet from the unit boundaries and no closer than 150 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.

C. Finding that the 640-acre drilling and spacing unit 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 October 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 29<sup>th</sup> day of August, 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 29<sup>th</sup> day of August, 2013.

Witness my hand and official seal.

My commission expires: 03/11/2014



Ruth Hartshorn

Notary Public

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COUNTY, COLORADO )

AFFIDAVIT OF MAILING

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

Danielle Carroll of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for EE3, LLC, and on or before September 5, 2013, 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.

Danielle Carroll  
Danielle Carroll

Subscribed and sworn to before me on August 29, 2013.

Witness my hand and official seal.

My commission expires: 3/27/2015.

Mary Grace T. Go-Hoveland  
Notary Public

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

EXHIBIT A  
INTERESTED PARTIES

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

All States Trucking Corporation  
3511 Stanton Road  
Yakima, WA 98903

Napi (Colorado) LLC  
PO Box 1037  
Walden, CO 80480

The United States of America  
BLM Colorado State Office  
2850 Youngfield Street  
Lakewood, Colorado 80215-7093

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 Unit  
Township 7 North, Range 80 West, 6<sup>th</sup> P.M.

