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

IN THE MATTER OF THE APPLICATION OF RED HAWK PETROLEUM LLC, FOR AN ORDER ALLOWING UP TO FIFTEEN WELLS IN AN ESTABLISHED APPROXIMATE 1,280-ACRE EXPLORATORY DRILLING AND SPACING UNIT FOR THE NIOBRARA FORMATION IN SECTIONS 1 AND 12, TOWNSHIP 7 NORTH, RANGE 62 WEST, 6TH P.M., WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

RED HAWK PETROLEUM LLC ("Applicant"), by and through its attorneys, Jost & Shelton Energy Group, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to authorize an additional fourteen (14) wells, for a total of up to fifteen (15) wells, in an established approximate 1,280-acre drilling and spacing unit, for the efficient and economic development of the oil, gas, and associated hydrocarbons from the Niobrara Formation, but only as to the Application Lands defined below:

Township 7 North, Range 62 West, 6th P.M.

Section 1: All Section 12: All

Approximately 1,280 acres, more or less, Weld County, Colorado ("Application Lands").

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 is an operator in good standing with the Commission.
- 2. Applicant owns substantial leasehold interests in the Application Lands.
- 3. Rule 318.a. specifies that a well drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line. Rule 318.a. applies to the Niobrara Formation underlying the Application Lands.
- 4. Order No. 535-9, entered by the Commission on April 4, 2011, established an approximate 1,280-acre drilling and spacing unit for Sections 1 and 12, Township 7 North, Range 62 West, 6th P.M., and approved one

horizontal well within the unit, regardless of lease lines within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the permitted well to be located no closer than 600 feet from the boundary of the unit and the perforated lateral to be located no closer than 300 feet from any wellbore which has perforated the Niobrara Formation without exception being granted by the Director of the Commission.

- 5. Order No. 535-133, entered by the Commission on January 23, 2012, pooled all interests in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-9 for Sections 1 and 12, Township 7 North, Range 62 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, effective as of the earlier of the date of the Application, or the date that the costs specified in C.R.S. §34-60-116(7)(b)(II) are first incurred for the drilling of the horizontal well.
- 6. Applicant requests that it be authorized to drill and complete an additional fourteen (14) horizontal wells for a total of fifteen (15) horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the approximate 1,280-acre drilling and spacing unit for Sections 1 and 12, Township 7 North, Range 62 West, 6th P.M., with the surface locations for the wells to be anywhere within the unit but no more than one (1) surface location per quarter-quarter, and with the treated interval of any horizontal wellbore to be no closer than wellbore to be located 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.
- 7. The Commission records reflect that the Marconi 1-1H Well (API No. 05-123-33692), a horizontal Niobrara well operated by Applicant, is currently producing from the Application Lands.
- 8. Applicant asserts that the additional wells are necessary to prevent waste, protect correlative rights, and to assure the maximum efficient recovery of oil, gas and associated hydrocarbons from the Niobrara Formation on the Application Lands.
- 9. That the names and addresses of the interested parties, according to the information and belief of the Applicant, are set forth in <u>Exhibit A</u> 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 consistent with Applicant's proposals as set forth above.

Dated this **May** of April, 2014.

Respectfully submitted,

RED HAWK PETROLEUM LLC

By:__

Jamie L. Jost James P. Parrot

Jost & Shelton Energy Group,

P.C.

1675 Larimer Street, Suite 420 Denver, Colorado 80202 (720) 379-1812 - Main

(720) 379-1813 - Fax

jjost@jsenergygroup.com jparrot@jsenergygroup.com

Applicant's Address: Red Hawk Petroleum LLC 4125 Blackhawk Plaza Circle Suite 201A Danville, CA 94506

VERIFICATION

Clark R. Moore, of lawful age, being first duly sworn upon oath, deposes and says that he is Executive Vice President of Red Hawk Petroleum 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.

Red Hawk Petroleum LLC Executive Vice President

<u>ACKNOWLEDGMENT</u>

State of California

County of Contra Costa

On <u>April 15, 2014</u> before me, <u>Valentina Babichev, Notary Public</u> (insert name and title of the officer) personally appeared <u>Clark R. Moore</u>, who proved to me on the basis of satisfactory evidence to be <u>the person</u> whose <u>name is</u>/subscribed to the within instrument and acknowledged to me that <u>he</u> executed the same in <u>his</u> authorized <u>capacity</u>, and that by <u>his signature</u> on the instrument the <u>person</u>, or the entity upon behalf of which the <u>person</u> acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature VA

VALENTINA BABICHEV
COMM. # 1979715
NOTARY PUBLIC • CALIFORNIA
CONTRA COSTA COUNTY
MY COMM EXP MAY 26, 2016

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

IN THE MATTER OF THE APPLICATION OF RED HAWK PETROLEUM LLC, FOR AN ORDER ALLOWING UP TO FIFTEEN WELLS IN AN ESTABLISHED APPROXIMATE 1,280-ACRE EXPLORATORY DRILLING AND SPACING UNIT FOR THE NIOBRARA FORMATION IN SECTIONS 1 AND 12, TOWNSHIP 7 NORTH, RANGE 62 WEST, 6TH P.M., WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

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 Red Hawk Petroleum LLC, that on or before April 24, 2014, 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 I Jost

Subscribed and sworn to before me on April /7, 2014.

Witness my hand and official seal.

My commission expires:

Notary Public

DANIELLE E CARROLL Notary Public State of Colorado Notary ID 20134059312 My Commission Expires Sep 18, 2017

Exhibit A

Joy Schaefer Henry P.O. Box 177 Bonsall, CA 92003 (1993)

ABH Baxter, LLC, a Texas limited liability company P.O. Box 1649 Austin, TX 78767 (2011)

First Presbyterian Church 5300 Main Street Houston, TX 77004 (1993)

Robinson Interests I, Ltd. 5005 Riverway, Suite 200 Houston, TX 77056 (1993)

JC Petroleum Royalty Unit, LLC P.O. Box 922 Delhi, Louisiana 71232 (2009)

John M. Briggs, c/o Jeanette Frasco as Personal Representative 1110 14th Ave Greeley, CO 80631

Estate of C.L. Witt c/o Esther Marie Witt 2574 19th Avenue Greeley, CO 80631

N. C. Ginther 1714 Esperson Bldg Houston, TX 77002

Kimberly N. Dixon 1567 S. Chelton Road, Apt. #40C Colorado Springs CO 80910

W. L. Ginther 1714 Esperson Bldg Houston, TX 77002

Kasey M. Dixon 1567 S. Chelton Road, Apt. #40C Colorado Springs CO 80910 (2013) A. Macy Smith 421 Cotton Exchange Bldg. Houston, TX 77002

Noble Energy WyCo, LLC 1625 Broadway Suite 2200 Denver, CO 80202

Federal Royalty Properties, LLC 2001 Kirby, Suite 1210 Houston, TX 77019 (2005)

Cimarron Minerals, LLC P.O. Box 1600 San Antonio, TX 78296 (2005)

Rice Family Trust 3860 Armer Ave. Boulder, CO 80305 (2013)

C.J. Thibodeaux Cotton Exchange Bldg Houston, TX (1952)

Irving Alexander
No Address Found

Johnny Mitchell, Trustee 622 Bank of Commerce Bldg Houston, TX (1952)

N.M. Feld No Address Found

Morris Rauch No Address Found

J.E. Leicher No Address Found

Martin Nadelman No Address Found

J.S. Oshman 701 Norris Ln Essex, MD 21221-2139 (410-687-0830) George A. Butler No Address Found

Joe Darsky, Trustee No Address Found

A.I. Axelrod No Address Found

W. C. DeArman Deceased, 12/1993

A.I. Look No Address Found

J.A. Gray No Address Found

N.W. Erabruer No Address Found

Rex E. Hudson No Address Found

Abe Weingarter Deceased 2/1969

Louis Pulaski No Address Found

Joe Weingarter No Address Found

E.J. Pulaski No Address Found

Dan J. Pulaski 2929 Post Oak Road Houston, TX 77056 (2011)

Dean M. Meyer No Address Found

Betty Ann Sud 5405 Encinas Rojas Street Austin, TX 78746-2209 (512-347-7949)

Estate of Marvin Sterl Bowes, c/o Zella Bowes

Rheba Joan Spiner No Address Found

Leonard Rauch No Address Found

Gerald Rauch No Address Found

Veda Mae Glasby No Address Found

Diamond Resources Co. P.O. Box 1938 Williston, ND 58802

Noble Energy, Inc. 1625 Broadway, Suite 2200 Denver, CO 80202

DJ Resources, LLC 1600 Broadway, Suite 1960 Denver, CO 80202

Denver Basin Oil & Gas, LLC P.O. Box 18288 Denver, CO 80218

Red Hawk Petroleum 1425 Blackhawk Plaza Circle, Ste. 201A Danville, CA 94506

Springfield Oil Company 27619 Brook Drive Hot Springs, SD 57747

Marathon Oil Company 5555 San Felipe Houston, TX 77056

Sharp Energy Resources, LLC 252 Clayton Street, 4th Floor Denver, CO 80206

OOGC America, Inc.
P.O. Box 4705 No. 25
Chaoyangmenbei Dajie, Dongcheng District
Beijing, 100010, P.R. China

RJ Resources Corp.
c/o Platinum Partners
Carnegie Hall Tower
152 West 57th Street, 4th Floor
New York, NY 10019

Tom Schreiner Energy Liaison Colorado Parks and Wildlife Northeast Regional Office 6060 Broadway Denver, CO 80216 Kent Kuster Colorado Department of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530

Tom Parko Weld County 1555 North 17th Street Greeley, CO 80631