

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

IN THE MATTER OF AN APPLICATION BY EE3 LLC FOR)	
AN ORDER ESTABLISHING A 640-ACRE DRILLING AND)	CAUSE NO. ____
SPACING UNIT FOR SECTION 32, TOWNSHIP 8 NORTH,)	
RANGE 80 WEST, 6 TH P.M., FOR PRODUCTION FROM THE)	DOCKET NO. <i>To be assigned</i>
NIOBRARA FORMATION, AND POOLING ALL INTERESTS)	
IN THE PROPOSED DRILLING AND SPACING UNIT, FOR)	
THE DEVELOPMENT/OPERATION OF THE NIOBRARA)	
FORMATION, UNNAMED FIELD, JACKSON COUNTY,)	
COLORADO)	

APPLICATION

EE3 LLC ("EE3" or "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) establishing an approximate 640-acre drilling and spacing unit for Section 32, Township 8 North, Range 80 West, 6th P.M., and authorizing the drilling of one horizontal well within the unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation; and (2) pooling all interests in the proposed drilling and spacing unit, for development and operation of the Niobrara Formation. 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 has registered as an operator with the Commission.
2. Applicant owns majority leasehold interests in the below-listed lands:

Township 8 North, Range 80 West, 6th P.M.
Section 32: All

These lands are hereinafter referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit B.

Establishment of a 640-acre Drilling Unit for Horizontal Well Development of the Niobrara Formation

3. The Application Lands are unspaced with respect to the Niobrara Formation, which is a common source of supply underlying said lands and, as such, Rule 318.a. applies to said lands and under said rule, wells greater than 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall not be located less than 1,200 feet from any other producible or drilling well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

4. Applicant requests the Commission establish the Application Lands as an approximate 640-acre drilling and spacing unit for the Niobrara Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal well proposed to be drilled under this Application and completed in the Niobrara Formation.

5. Applicant requests it be authorized to drill and complete one horizontal well in the approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, as necessary to economically and efficiently

recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

6. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 600 feet from the unit boundaries, without exception being granted by the Director.

Pooling all interests within the proposed 640-acre drilling and spacing unit, for the development and operation of the Niobrara Formation

7. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, for the approximate 640-acre drilling and spacing unit proposed above for the Application Lands (wherein Applicant plans to drill the Grizzly #3-32H Well, API #05-057-06523), for the initial permitted horizontal Niobrara Formation well drilled within the Applicant Lands.

8. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application.

9. Further, Applicant requests that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of an authorized well proposed for the Niobrara Formation, are pooled by operation of statute, pursuant to §34-60-116(7), C.R.S., and made subject to the cost recovery provisions thereof.

* * *

10. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

11. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to being bound by said oral order.

12. That the names and addresses of the interested parties (owners within the proposed drilling unit and persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in Exhibit A attached hereto. The Applicant shall submit a certificate of service for the Application within the 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 an approximate 640-acre drilling and spacing unit for Section 32, Township 8 North, Range 80 West, 6th P.M., and authorizing the drilling of one horizontal well within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 600 feet from the outer boundary of the proposed unit, without exception being granted by the Director.

B. Pooling all interests in the approximate 640-acre drilling and spacing unit proposed herein for the Application Lands, for the initial permitted horizontal well drilled within the Application Lands, for development and operation of the Niobrara Formation, with the pooling order made effective as of the date of this Application.

C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of an authorized well proposed for the Niobrara Formation, having been pooled by operation of statute, pursuant to §34-60-116(6), C.R.S., are made subject to the cost recovery provisions under §34-60-116(7), C.R.S.

D. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.

E. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 17th day of April, 2014.

Respectfully submitted,

EE3 LLC

By: 

Robert A. Willis (Colorado Bar No. 26308)

Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

rwillis@bwenergylaw.com

jfulcher@bwenergylaw.com

Applicant's Address:

EE3 LLC

Douglas C. Sandridge, Vice President - Land

4410 Arapahoe Avenue, Suite 100

Boulder, CO 80303

VERIFICATION

STATE OF COLORADO

)

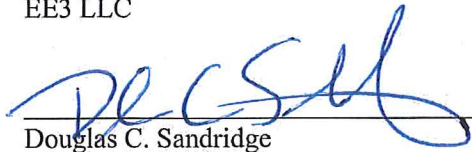
) ss.

CITY & COUNTY OF DENVER

)

Douglas C. Sandridge, Vice President of Land for EE3 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.

EE3 LLC


Douglas C. Sandridge

Subscribed and sworn to before me this 24th day of March, 2014, by Douglas C. Sandridge, Vice President of Land for EE3 LLC.

Witness my hand and official seal.

My commission expires: 6.04.2016



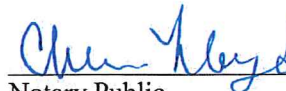

Notary Public

EXHIBIT A

INTERESTED PARTIES

The names and addresses of the interested parties (owners within the proposed unit and persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this Exhibit A.

EE3 LLC
4410 Arapahoe Avenue, Suite 100
Boulder, CO 80303

Robert A. Willis
Beatty & Wozniak, P.C.
216 16th Street, Suite 1100
Denver, Colorado 80202

Grizzly Land, LLC
P.O. Box 670
Windsor, CO 80550

Boyer Ridge Land, LLC
27680 Beaver Ridge Road
Steamboat Springs, CO 80487

Ben R. Houston
9053 County Road #34
Platteville, CO 80651

Aristocrat Land & Cattle Company, Inc.
Attn: Skylar V. Houston
16465 County Road 17
Platteville, CO 80651

Haymeadow Properties, Inc.
Attn: Gladys Levis Pilz
2262 Ella Ct.
Louisville, CO 80027-2375

Kohlman's O.K. Limited Partnership
21536 State Highway 14
Walden, CO 80480


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

EXHIBIT B

Sec. 32, T8N, R80W
Jackson County

Application Lands - 

Application Map

13	18	17	16	15	14	13	18	17
24	19	20	T8N R80W 21 22	22	23	24	19	20
25	30	29		27	26	25	30	29
36	31	32	33	34	35	36	31	32
1	6	5	4	3	2	1	6	5
12	7	8	T7N R80W 9 10	10	11	12	7	8
13	18	17		15	14	13	18	17

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THE DEVELOPMENT/OPERATION OF THE NIOBRARA)
FORMATION, WILDCAT FIELD, JACKSON COUNTY,)
COLORADO)

AFFIDAVIT OF MAILING

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

Jennifer Pittenger, 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 April 24th, 2014, 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.

Jennifer Pittenger
Jennifer Pittenger

Subscribed and sworn to before me this 17th day of April, 2014.

Witness my hand and official seal.



Teresa L. Peterson
Notary Public