

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

IN THE MATTER OF THE **AMENDED**)
APPLICATION OF FOUNDATION ENERGY)
MANAGEMENT, LLC FOR AN ORDER)
VACATING ORDER NO. 535-418 AND) CAUSE NO. 535
ESTABLISHING AN APPROXIMATE **1280-**)
ACRE DRILLING AND SPACING UNIT AND) DOCKET NO. 1409-SP-2104
ESTABLISHING WELL LOCATION RULES)
APPLICABLE TO THE DRILLING AND) INTAKE NO. 18
PRODUCING OF WELLS FROM THE)
NIOBRARA FORMATION COVERING)
SECTIONS 27 AND 34, TOWNSHIP 8 NORTH,)
60 WEST, 6TH P.M., WELD COUNTY,)
COLORADO.)

AMENDED APPLICATION

Foundation Energy Fund III-A, L.P., Foundation Energy Fund III-B Holding, L.L.C., Foundation Energy Fund IV-A, L.P., and Foundation Energy Fund IV-B Holding, L.L.C., by and through Foundation Energy Management, L.L.C., as manager of each of these four entities (collectively, "Applicant" or "Foundation"), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this **AMENDED** Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order **VACATING ORDER NO. 535-418 AND** establishing an approximate **1,280-acre** drilling and spacing unit and establishing well location rules applicable to the drilling of wells and producing of oil and gas from the Niobrara Formation covering certain lands in Weld County, Colorado. In support of its **AMENDED** Application, Applicant states as follows:

1. Applicant owns leasehold interests in the following lands ("Application Lands"):

Township 8 North, Range 60 West, 6th P.M.
Section 27: All
Section 34: All

A reference map of the Application Lands is attached hereto.

2. Rule 318.a. provides that a well drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall be located not less than 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. Section 27, Township 8 North, Range 60 West, 6th P.M. is subject to this Rule.

3. BY ORDER NO. 535-418 DATED SEPTEMBER 16, 2013, THE COMMISSION ESTABLISHED AN APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT AND AUTHORIZED UP TO FOUR WELLS TO BE DRILLED WITHIN THE UNIT FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE NIOBRARA FORMATION, WITH THE TREATED INTERVAL NO CLOSER THAN 600 FEET FROM THE UNIT BOUNDARIES AND NO CLOSER THAN 200 FEET FROM THE TREATED INTERVAL OF ANY OTHER WELLBORE LOCATED IN THE UNIT, WITHOUT EXCEPTION BEING GRANTED BY THE DIRECTOR. SECTION 34, TOWNSHIP 8 NORTH, RANGE 60 WEST, 6TH P.M. IS SUBJECT TO THIS ORDER.

4. The Niobrara Formation in the area of the Application Lands is defined as the stratigraphic equivalent of the interval between 6,235 feet (top of the Niobrara) and 6,530 feet (base of the Niobrara) as found in the Federal Goshawk 28-13 (API # 05-123-22634) Well located in the SW¼SW¼ of Section 28, Township 8 North, Range 60 West, 6th P.M., Weld County, Colorado. The Niobrara Formation is a common source of supply under the Application Lands.

5. TO PROMOTE EFFICIENT DRAINAGE WITHIN THE NIOBRARA FORMATION OF THE APPLICATION LANDS, TO PROTECT CORRELATIVE RIGHTS AND TO AVOID WASTE, THE COMMISSION SHOULD VACATE ORDER NO. 535-418 AND ESTABLISH ONE DRILLING AND SPACING UNIT CONSISTING OF APPROXIMATELY 1,280 ACRES COVERING THE APPLICATION LANDS.

6. The above-proposed drilling and spacing unit will allow efficient drainage of the Niobrara Formation, will prevent waste, will not adversely affect correlative rights, and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Niobrara Formation. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing unit. Applicant further maintains that a well drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

7. Applicant requests that the order authorize the drilling and completion of one horizontal Niobrara well in the approximate 1,280-acre drilling and spacing unit described above, with the option to drill and complete an additional **SEVEN** wells in the drilling and spacing unit. The Applicant states the proposed horizontal wells shall be located on no more than four drilling pads within the designated drilling and spacing unit, or at a legal location on the surface anywhere within the unit, and the initial perforation of the Niobrara Formation will occur within the unit. Applicant further states that the treated interval of each well shall be located no closer than 600 feet from the boundaries of the drilling and spacing unit and no closer than 200 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director. The Applicant further maintains that the proposed horizontal wells will have no adverse effect on correlative rights of adjacent land owners.

8. 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 the original **AMENDED** Application shall be served on each interested party 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 5th day of **AUGUST**, 2014.

Respectfully submitted,
WELBORN SULLIVAN MECK & TOOLEY, P.C.

By:  _____

Joseph C. Pierzchala
Stephen J. Sullivan
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
1125 - 17th Street, Suite 2200
Denver, CO 80202
303-830-2500

Applicant's Address:

1801 Broadway, Suite 408
Denver, CO 80202

Attn: Scott Ryan, Landman
Phone: 303-861-0504 ext. 203

VERIFICATION

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

Scott Ryan, Landman with Foundation Energy Management, L.L.C., upon oath deposes and says that he has read the foregoing **AMENDED** Application and that the statements contained therein are true to the best of his knowledge, information and belief.

FOUNDATION ENERGY
MANAGEMENT, L.L.C.



Scott Ryan, Landman

Subscribed and sworn to before me this 8th day of **AUGUST**, 2014 by Scott Ryan, Landman for Foundation Energy Management, L.L.C.

Witness my hand and official seal.

SARAH MANDERY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 20134034439
MY COMMISSION EXPIRES MAY 31, 2017



Notary Public
My Commission Expires: 5-31-17

EXHIBIT A

INTERESTED PARTIES

Mile Hi Oil & Gas, Inc. Littleton, CO 80162-1609 PO Box 621609	TAK Mountain, LLC P O BOX 677 GOLDEN, CO 80402
Haimo Oil & Gas, LLC Unknown address	Carrizo (Niobrara), LLC 500 Dallas Street, Suite 2300 Houston, TX 77002
Oil India (USA), Inc c/o Thompson Knight, LLP Attn: Arthur J. Wright 333 Clay Street, Ste 300 Houston, TX 7702	OOGC America, Inc. c/o CNOOC International Limited P.O. Box 4705 No. 25 Chaoyangmenbei Dajie Dongcheng District, Beijing, 100010, P.R. China
The Estate of Irene A Doty aka Irene Emery c/o The Williams Home 1201 Langhorne Road Lynchburg, VA 24503	Bureau of Land Management Attn: Pat Gallagher 2850 Youngfield St. Lakewood, CO 80215
LHB Ventures, LLC P.O. Box 46063 Denver, CO 80201-6063	Colorado Division of Wildlife (DOW) Attn: Celia Greenman 6060 Broadway Denver, CO 80216
David Bauer Weld County 1111 H Street Greeley, CO 80632	Colorado Department of Public Health and Environment (CDPHE) Attn: Kent Custer 4300 Cherry Creek Drive South Denver, CO 80246-1530
Noble Energy VII, LLC 1625 Broadway, Suite 2200 Denver, CO 80202	Shriners Hospitals for Children 2900 Rocky Point Drive Tampa, FL 33607

Foundation Energy Management, LLC - Application Lands

