

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

IN THE MATTER OF THE APPLICATION OF
D.J. SIMMONS, INC. FOR AN ORDER
CORRECTING ORDER NO. 231-2 TO
REFLECT A 217.38-ACRE DRILLING AND
SPACING UNIT FOR THE DESERT CREEK
FORMATION LOCATED IN THE NW¼ OF
SECTION 7, TOWNSHIP 39 NORTH, RANGE
19 WEST, N.M. P.M., DOLORES COUNTY,
COLORADO.

Cause No. _____

Docket No. _____

APPLICATION

COMES NOW D.J. Simmons, Inc. (referred to herein as "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 ("Commission") for an order to correct Commission Order No. 231-2 which originally established an approximate 160-acre drilling and spacing unit for the development of and production from the Desert Creek Formation in order to reflect a 217.38 acre drilling and spacing unit, the correct acreage of the following lands:

Township 39 North, Range 19 West, N.M.P.M.
Section 7: NW¼ - Lots 6 thru 11 and Part Tract 52

(approximately 217.38 acres)

Dolores County, Colorado ("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, and is a registered operator in good-standing with the Commission.
2. Applicant owns leasehold interests in the Desert Creek Formation underlying the Application Lands. A reference map of the Application Lands is attached as Exhibit B
3. On January 19, 1971, the Commission issued Order No. 231-2, which among other things, established 160-acre drilling and spacing units for the production of gas from the Desert Creek Formation underlying certain lands, including the Application Lands, with the permitted well to be located in any undrilled quarter section no closer than 990 feet from the boundaries of the quarter section.
4. Applicant requests that the Commission correct Order No. 231-2 with respect to the Application Lands and confirm that the Application Lands consist of a single exploratory 217.38-acre drilling and spacing unit, for development and production of oil, gas, and associated hydrocarbons from the Desert Creek Formation on said lands.

5. That, based upon the evidence and testimony set forth during the hearing to establish Order No. 231-2, the corrected 217.38 acre drilling and spacing unit will allow efficient drainage of the Desert Creek 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. A 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 drilling and spacing unit.

6. Applicant certifies that copies of this Application will be served on all interested parties set forth in Exhibit A within seven (7) days of the filing hereof, pursuant to Rule 503.e.

7. Applicant agrees to be bound by the oral order of the Commission.

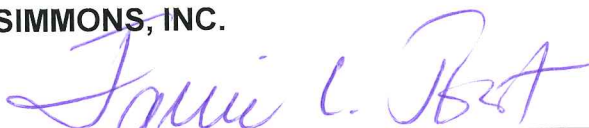
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in January 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this 2nd day of November, 2012.

Respectfully submitted:

D.J. SIMMONS, INC.

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:

D.J. Simmons, Inc.
c/o Walter S. Parks
1009 Ridgway Place, Suite 200
Farmington, NM 87401

VERIFICATION

New Mexico
STATE OF ~~COLORADO~~)
San Juan) ss.
CITY AND COUNTY OF ~~DENVER~~

Walter Parks, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for D.J. Simmons, Inc. 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.

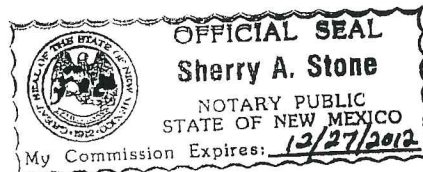
[Signature]

Walter Parks, Senior Landman
D.J. Simmons, Inc.

Subscribed and sworn to before this 31st day of October, 2012.

Witness my hand and official seal.

[SEAL]



My commission expires: 12/27/2012

[Signature]
Notary Public

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OF D.J. SIMMONS, INC. FOR AN
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2 TO REFLECT A 217.38-ACRE
DRILLING AND SPACING UNIT FOR
THE DESERT CREEK FORMATION
LOCATED IN THE NW¼ OF SECTION
7, TOWNSHIP 39 NORTH, RANGE 19
WEST, N.M. P.M., DOLORES COUNTY,
COLORADO.

Cause No. _____

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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:

13 That she is the attorney for D.J. Simmons, Inc. and that on or before November 13, 2012, 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 L. Jost

Jamie L. Jost

Subscribed and sworn to before me on November 2, 2012.

Witness my hand and official seal.

My commission expires: 10-04-13



Tereza L. Peterson
Notary Public

EXHIBIT A
INTERESTED PARTIES

D.J. Simmons, Inc.
1009 Ridgeway Place, Suite 200
Farmington, NM 87401

Abby Corporation
145 Ocean Pines Terrace
Jupiter, FL 33477

Tapadero Ranch Company, LLLP
P.O. Box 878
Dolores, CO 81323

United States of America
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215-7093

EXHIBIT B

TOWNSHIP 39 NORTH RANGE 19 WEST OF THE NEW MEXICO PRINCIPAL MERIDIAN, COLORADO

