

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

IN THE MATTER OF THE APPLICATION
OF HRM RESOURCES, LLC FOR AN
ORDER TO VACATE ORDER 381-5 AND
ESTABLISH AN APPROXIMATE 160-ACRE
DRILLING AND SPACING UNIT AND
ALLOWING UP TO FIVE WELLS TO BE
DRILLED IN SECTION 36, TOWNSHIP 6
NORTH, RANGE 66 WEST 6TH P.M., FOR
THE CODELL AND NIOBRARA
FORMATION, BRACEWELL FIELD, WELD
COUNTY, COLORADO

Cause No.

Docket No.

APPLICATION

HRM Resources, LLC ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., submits this Application to the Colorado Oil and Gas Conservation Commission (the "Commission"), pursuant to C.R.S. 34-60-116, for an order to vacate Order 381-5 and establish an approximate 160-acre drilling and spacing unit allowing up to five vertical and/or directional wells to be drilled for development of and production from the Codell and Niobrara Formations in the following lands:

Township 6 North, Range 66 West, 6th P.M.
Section 36: NE $\frac{1}{4}$

Weld County, Colorado ("Application Lands").

In support thereof, 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 holds substantial leasehold interests in the Application Lands. A reference map of the Application Lands is attached hereto.
3. On February 18, 1985, the Commission Issued Order No. 381-5, which among other things, approved an optional additional well to be drilled in the undrilled 40-acre tract of the established 80-acre drilling and spacing units for certain lands, including the Application Lands, for the production of oil and associated hydrocarbons from the Codell and Niobrara Formations.
4. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled

and drilling and spacing units to be established. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formation.

5. Applicant requests that it be authorized to drill and complete up to five vertical and/or directional wells in the 160-acre drilling and spacing unit comprised of the Application Lands with the treated interval of the wells located no closer than 460' from the boundaries of the drilling and spacing unit, and no closer than 150' from an adjoining wellbore in the unit.

5. Applicant requests that it be authorized to locate surface facilities for the proposed wells anywhere within the drilling and spacing unit regardless of the Rule 318A drilling windows.

7. Applicant asserts that establishing an approximate 160-acre drilling and spacing unit for the Application Lands will allow for economic and efficient drainage of the Codell and Niobrara Formations; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil and associated hydrocarbon substances from said Formations. A 160-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the Codell and Niobrara Formations within such unit.

8. That 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 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:

A. Vacating the 80-acre drilling and spacing units established in Order No. 381-5 with respect to the Application Lands and establishing an approximate 160-acre drilling and spacing unit for the Codell and Niobrara Formations and allowing up to five vertical and/or directional wells in the established unit.

B. Establishing that the treated interval of the wellbore may be no closer than 460 feet from the boundaries of the drilling and spacing unit, and no closer than 150' from the treated interval of another well in the unit.

C. Applicant requests that it be authorized to locate surface facilities for the proposed wells anywhere within the drilling and spacing unit.

D. Finding that an approximate 160-acre drilling and spacing unit will prevent waste, protect correlative rights, and will maximize the efficient and economic production of the Codell and Niobrara Formations on the Application Lands; and

E. Granting any other relief as may be appropriate.

Dated this 13 day of December, 2012.

Respectfully submitted,

HRM RESOURCES, LLC

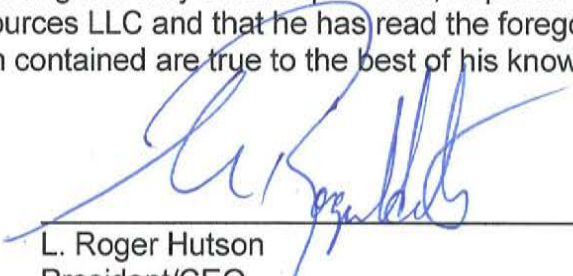
By: 
Kenneth A. Wonstolen
Gregory J. Nibert Jr.
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303)407-4499

Applicant's Address:
HRM Resources LLC.
c/o L. Roger Hutson
410 17th St., Suite 1200
Denver, CO 80202

VERIFICATION

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

L. Roger Hutson, of lawful age, being first duly sworn upon oath, deposes and says that he is President/CEO of HRM Resources 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.



L. Roger Hutson
President/CEO
HRM Resources LLC

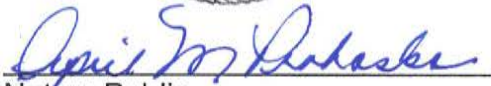
Subscribed and sworn to before this 13th day of December, 2012.

Witness my hand and official seal.

[SEAL]

My commission expires: 6/16/2014





Notary Public

EXHIBIT A
INTERESTED PARTIES

Alfredo Nava and Carmela Nava
1406 N 25th Ave Ct
Greeley, CO 80631

Anselmo Ortega
1408 N 26th Ave
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Greeley, CO 80631

Blanche Estella Castillo
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Greeley, CO 80631

Bucklen Equipment Company
804 N. 25th Ave
Greeley, CO 80631

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City of Greeley, acting by and through
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and Sewer Department
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Colony Improvement Corporation
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Greeley, CO 80631

Joe Anthony Gutierrez and
Linda Mae Rios
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Jordance Energy, Inc
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Greeley, CO 80631

Jose Mendoza and Rosie Aguilar
a/k/a Rosita Elvira Aguilar
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Greeley, CO 80631

Joseph C Filippini, Trustee of the
Joseph Filippini Trust dated
3/21/2012
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Greeley, CO 80633

Juana Rodriguez, Antonio Rodriguez
and Yolando Jorgensen
1405 N 26th Ave
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Manuel Gallegos
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Manuel Varela and Aurora Varela
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Greeley, CO 80631

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Greeley, CO 80631

Peter B and Zulema B Gutierrez
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Peter N Gutierrez, Joe B Gutierrez
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Greeley, CO 80631

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Rosalie Anne Fontes f/k/a Rosalie
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Rose M Castillo
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Greeley, CO 8631

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Ruiz de Vega
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Greeley, CO 80631

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Greeley, CO 80631

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Margaret Lopez
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Greeley, CO 80631

Michael Warren, Energy Liaison
Colorado Parks and Wildlife
Northwest Regional Office
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Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
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David Bauer
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Township 6 North, Range 66 West

Section 36: NE $\frac{1}{4}$

160 acres more or less



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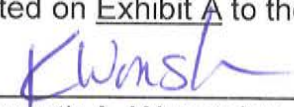
Docket No.

AFFIDAVIT OF MAILING

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

Kenneth A. Wonstolen of lawful age, and being first duly sworn upon his oath,
states and declares:

That he is the attorney for HRM Resources LLC, that on or before December 20,
2012, he 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.



Kenneth A. Wonstolen

Subscribed and sworn to before me on December 13, 2012.

Witness my hand and official seal.

My commission expires: 10-04-13.





Notary Public