

March 21, 2014

Re: Cover Letter Accompanying Amended COGCC Application pertaining to Section 34, Township 4 North, Range 63 West, 6<sup>th</sup> P.M.

To Whom it May Concern:

On January 16, 2014, DJ Resources, Inc. ("DJR" or "Applicant"), by its attorneys, filed with the Colorado Oil and Gas Conservation Commission a verified application ("Original Application") for an order establishing an approximate 640-acre drilling and spacing unit for Section 34, Township 4 North, Range 63 West, 6<sup>th</sup> P.M. and authorizing the drilling of up to one (1) horizontal well within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

On March 21, 2014, Applicant filed an amended verified application, attached hereto, for an order establishing an approximate 640-acre drilling and spacing unit for Section 34, Township 4 North, Range 63 West, 6<sup>th</sup> P.M., and authorizing the drilling of up to fourteen (14) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the proposed unit with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell-Niobrara Formations, without exception being granted by the Director.

Please do not hesitate to contact our office with questions or concerns.

Respectfully submitted,

DJ RESOURCES, INC.

By: 

Brent D. Chicken (Colorado Bar No. 36217)  
Burleson LLP  
Wells Fargo Center  
1700 Lincoln Street, Suite 1300  
Denver, CO 80203  
(303) 801-3200

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

IN THE MATTER OF AN APPLICATION BY DJ )  
RESOURCES, INC. FOR AN ORDER ESTABLISHING A ) CAUSE NOS. 407 & 535  
640-ACRE DRILLING AND SPACING UNIT FOR )  
SECTION 34, TOWNSHIP 4 NORTH, RANGE 63 WEST, ) DOCKET NO. *To be assigned*  
6<sup>TH</sup> P.M., FOR HORIZONTAL WELL DEVELOPMENT )  
OF THE **CODELL**-NIOBRARA FORMATIONS, )  
WATTENBERG FIELD, WELD COUNTY, COLORADO )

**AMENDED APPLICATION**

DJ Resources, Inc. (“DJR” or “Applicant”), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order establishing an approximate 640-acre drilling and spacing unit for Section 34, Township 4 North, Range 63 West, 6<sup>th</sup> P.M and authorizing the drilling of ~~one (1)~~ **UP TO FOURTEEN (14) HORIZONTAL WELLS** within the proposed unit, for the production of oil, gas and associated hydrocarbons from the **CODELL**-Niobrara Formation~~S~~. 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 4 North, Range 63 West, 6<sup>th</sup> P.M.  
Section 34: 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 A.

3. 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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A. was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A. was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to certain aspects of this Rule for the **CODELL**-Niobrara Formation~~S~~.

4. Applicant requests the Commission establish the Application Lands as an approximate 640-acre drilling and spacing unit for the **CODELL**-Niobrara Formation~~S~~ 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~~S~~ proposed to be drilled under this Application and completed in the **CODELL**-Niobrara Formation~~S~~.

5. Applicant requests it be authorized to drill and complete ~~one (1)~~ **UP TO FOURTEEN (14)** horizontal wellS in the approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the **CODELL-Niobrara FormationS**, 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 460 feet from the unit boundaries with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the **CODELL-Niobrara FormationS**, without exception being granted by the Director.

7. Applicant states that any horizontal wells to be drilled under this Application will be drilled on the surface of the drilling unit from prescribed Rule 318A. drilling windows, or on adjacent lands with consent of the landowner, without exception being granted by the Director.

8. 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.

9. That the names and addresses of the interested parties (owners within the Application Lands) are attached hereto under Exhibit B. The Applicant shall submit a certificate of service for the Application within 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 34, Township 4 North, Range 63 West, 6<sup>th</sup> P.M., and authorizing the drilling of up to ~~one (1)~~ **FOURTEEN (14)** horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the **CODELL-Niobrara FormationS**, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the proposed unit with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the **CODELL-Niobrara FormationS**, without exception being granted by the Director.

B. Requiring that any permitted wells to be drilled under this Application should be drilled from on the surface of the drilling unit from prescribed Rule 318A. drilling windows, or on adjacent lands with consent of the landowner, without exception being granted by the Director.

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

DATED this 21<sup>st</sup> day of March, 2014.

Respectfully submitted,

DJ RESOURCES, INC.

By:

Brent D. Chicken (Colorado Bar No. 36217)

Burleson LLP

Wells Fargo Center

1700 Lincoln Street, Suite 1300

Denver, CO 80203

(303) 801-3200

Applicant's Address:

DJ Resources, Inc.

Sharon Crumb, Senior Landman

1600 Broadway, Suite 1960

Denver, CO 80202

## VERIFICATION

STATE OF COLORADO

)

) ss.

CITY &amp; COUNTY OF DENVER

1

Sharon Crumb, Senior Landman for DJ Resources, Inc., upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

DJ RESOURCES, INC.

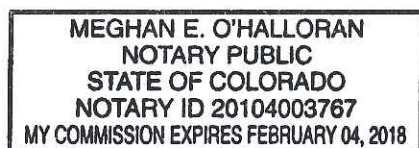
Sharon Crumb

Sharon Crumb

Subscribed and sworn to before me this 21<sup>st</sup> day of March, 2014, by Sharon Crumb,  
Senior Landman for DJ Resources, Inc.

Witness my hand and official seal.

My commission expires: February 4, 2018



{00335041.1}

  
Notary Public

Notary Public

Application Lands - 

Sec. 34, T4N, R63W  
Weld County

Exhibit A  
Application Map

13	18	17	16	15	14	13	18	17
24	19	20	21	22	23	24	19	20
25	30	29	T4N 28	T4N 27 R63W	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	T3N 9	T3N 10 R63W	11	12	7	8
13	18	17	16	15	14	13	18	17

## EXHIBIT B

### INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 34, Township 4 North, Range 63 West, 6<sup>th</sup> P.M.) according to the information and belief of the Applicant are set forth in this Exhibit B.

DJ Resources, Inc.  
1600 Broadway, Suite 1960  
Denver, CO 80202

Brent D. Chicken  
Burleson LLP  
1700 Lincoln St., Suite 1300  
Denver, CO 80203

David Bauer  
Weld County LGD  
1111 H Street  
Greeley, CO 80632

Oil & Gas Liaison  
Colorado Parks & Wildlife  
6060 Broadway  
Denver, CO 80216

Oil & Gas Liaison  
Colorado Dep't of Public Health &  
Environment  
4300 Cherry Creek Drive South  
Denver, CO 80246-1530

OOGC America, Inc.  
11700 Katy Fwy  
Houston, TX 77079



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

IN THE MATTER OF AN APPLICATION BY DJ )  
RESOURCES, INC. FOR AN ORDER ESTABLISHING A ) CAUSE NOS. 407 & 535  
640-ACRE DRILLING AND SPACING UNIT FOR )  
SECTION 34, TOWNSHIP 4 NORTH, RANGE 63 WEST, ) DOCKET NO. 1403-SP-2016  
6<sup>TH</sup> P.M., FOR HORIZONTAL WELL DEVELOPMENT )  
OF THE CODELL-NIOBRARA FORMATIONS, )  
WATTENBERG FIELD, WELD COUNTY, COLORADO )

**AFFIDAVIT OF MAILING**

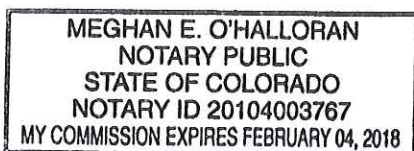
STATE OF COLORADO )  
 )ss.  
CITY AND COUNTY OF DENVER )

Jessica Rauh, of lawful age, and being first duly sworn upon her oath, states and declares that she caused a copy of the **AMENDED APPLICATION** for an order establishing a 640-acre drilling and spacing unit for Section 34, Township 4 North, Range 63 West, 6<sup>th</sup> P.M. for horizontal well development of the Codell-Niobrara formations, Wattenberg field, in the above-captioned matter to be deposited in the United States Mail, postage prepaid, addressed to the interested parties on the attached Exhibit B on this 27<sup>th</sup> day of March, 2014.

Jessica Rauh  
Jessica Rauh

Subscribed and sworn to before me on the 27<sup>th</sup> day of March, 2014.

Witness my hand and official seal.



Meghan E. O'Halloran  
Notary Public

My commission expires:

## EXHIBIT B

### INTERESTED PARTIES

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Weld County LGD  
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Greeley, CO 80632

Tom Schreiner, Energy Liaison  
Colorado Parks & Wildlife  
6060 Broadway  
Denver, CO 80216

Oil & Gas Liaison  
Colorado Dep't of Public Health &  
Environment  
4300 Cherry Creek Drive South  
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