

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 8, TOWNSHIP 7 NORTH, RANGE 65 WEST,           | ) | DOCKET NO. <i>To be assigned</i> |
| 6 <sup>TH</sup> P.M., FOR HORIZONTAL WELL DEVELOPMENT | ) |                                  |
| OF THE NIOBRARA FORMATION, WATTENBERG                 | ) |                                  |
| FIELD, WELD COUNTY, COLORADO                          | ) |                                  |

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 8, Township 7 North, Range 65 West, 6<sup>th</sup> P.M., and authorizing the drilling of one (1) horizontal well within the proposed unit, for the production of oil, gas and associated hydrocarbons from 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 7 North, Range 65 West, 6<sup>th</sup> P.M.  
Section 8:      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 Niobrara Formation.

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 (1) 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 well to be drilled under this Application, the treated intervals of the Niobrara Formation wellbore should be not less than 460 feet from the outer boundary of the proposed drilling unit, 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 proposed drilling unit) and an associated certificate of service shall be submitted 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 8, Township 7 North, Range 65 West, 6<sup>th</sup> 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 460 feet from the outer boundary of the proposed unit, without exception being granted by the Director.

B. Requiring that any permitted wells to be drilled under this Application should 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.

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

DATED this 16 day of January, 2014.

Respectfully submitted,

DJ RESOURCES, INC.

By: [Signature]

Brent D. Chicken (Colorado Bar No. 36217)

Jillian Fulcher (Colorado Bar No. 45010)

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 & COUNTY OF DENVER )

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.

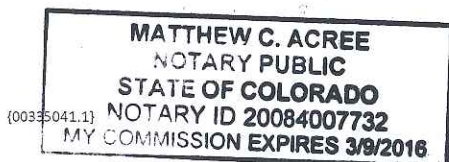
[Signature]

Sharon Crumb

Subscribed and sworn to before me this 16<sup>th</sup> day of January, 2014, by Sharon Crumb, Senior Landman for DJ Resources, Inc.

Witness my hand and official seal.

My commission expires: 3/9/2016



[Signature]

Notary Public


# Exhibit A

## Application Map

### Sec. 8, T7N, R65W

#### Weld County

Application Lands - 

|    |    |   |                   |    |    |    |    |    |
|----|----|---|-------------------|----|----|----|----|----|
| 13 | 18 | 17  | 16                | 15 | 14 | 13 | 18 | 17 |
| 24 | 19 | 20  | 21                | 22 | 23 | 24 | 19 | 20 |
| 25 | 30 | 29  | 28<br>T8N<br>R65W | 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 | 9<br>T7N<br>R65W  | 10 | 11 | 12 | 7  | 8  |
| 13 | 18 | 17  | 16                | 15 | 14 | 13 | 18 | 17 |

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| FIELD, WELD COUNTY, COLORADO                          | ) |                                  |

LIST OF INTERESTED PARTIES

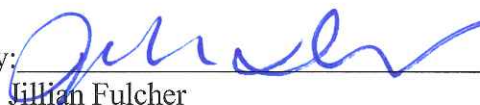
DJ Resources, Inc. ("DJR" or "Applicant"), by and through its attorneys, Burleson LLP, respectfully submits this List of Interested Parties (attached hereto and marked Exhibit B) to the Oil and Gas Conservation Commission of the State of Colorado.

DATED this 23<sup>rd</sup> day of January, 2014.

Respectfully submitted,

DJ RESOURCES, INC.

By:



Jillian Fulcher

Burleson LLP

Attorneys for DJR

## EXHIBIT B

### LIST OF INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 8, Township 7 North, Range 65 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

Jillian Fulcher  
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

Bayswater Exploration & Production LLC  
730 17th Street, Suite 610  
Denver, CO 80202

Extraction Oil & Gas LLC  
1888 Sherman Street, Suite 500  
Denver, CO 80203

Anadarko E&P Company, LP  
P.O. Box 173779  
Denver, CO 80217

Tekton-Windsor, LLC  
640 Plaza Drive, Suite 290  
Highlands Ranch, CO 80129

Jessica A. Brug & Jerome Brug  
19694 County Road 84  
Ault, CO 80610

Jim Pitner & Dana Pitner  
19477 Hwy 14  
Ault, CO 80610

Phyllis J. Salberg  
19500 County Road 84  
Ault, CO 80610

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FIELD, WELD COUNTY, COLORADO )

**AFFIDAVIT OF MAILING**

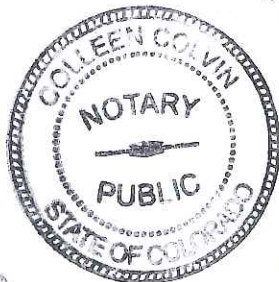
STATE OF COLORADO )  
 )ss.  
CITY AND COUNTY OF DENVER )

Jessica Rauh, of lawful age, and being first duly sworn upon her oath, states and declares that she caused a copy of the **APPLICATION** for an order establishing a 640-acre drilling and spacing unit for Section 8, Township 7 North, Range 65 West, 6<sup>th</sup> P.M. for horizontal well development of the Niobrara formation, 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 23<sup>rd</sup> day of January, 2014.

Jessica Rauh  
Jessica Rauh

Subscribed and sworn to before me on the 23<sup>rd</sup> day of January, 2014.

Witness my hand and official seal.



Colleen Colvin  
Notary Public

My commission expires: 10/7/2015

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