

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

IN THE MATTER OF THE APPLICATION OF
DAN A. HUGHES COMPANY, L.P. FOR AN
ORDER TO ESTABLISH AN
APPROXIMATE 160-ACRE EXPLORATORY
DRILLING AND SPACING UNIT IN THE
LYONS FORMATION AND POOL ALL
INTERESTS IN CERTAIN LANDS IN
SECTIONS 1 AND 12, TOWNSHIP 9
NORTH, RANGE 57 WEST, 6TH P.M.,
WELD COUNTY, COLORADO

CAUSE NO:

DOCKET NOS:

TYPE: SPACING and POOLING
ORDER

VERIFIED APPLICATION

COMES NOW, Dan A. Hughes Company, L.P. ("Applicant"), Operator No. 10346, by and through its attorneys, Poulson, Odell & Peterson, LLC, and respectfully submits its Verified Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order establishing a 160 acre exploratory drilling and spacing unit in the Lyons formation and pooling all interests in a 160 acre drilling and spacing unit established for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 1, and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 12, Township 9 North, Range 75 West, 6th P.M., Weld County, Colorado for the development and production of the Lyons Formation drilling and spacing unit. In support thereof, the Applicant states as follows:

1. Applicant is a Limited Partnership duly authorized to conduct business before the Colorado Oil and Gas Conservation Commission.

2. Applicant owns a leasehold interest in the following lands ("Application Lands"):

Township 9 North, Range 57 West, 6th P.M

Section 1: S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 12: N $\frac{1}{2}$ NE $\frac{1}{4}$

Weld County, Colorado

3. A reference map of the Application Lands is attached hereto as Exhibit "B".

4. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on un-spaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same

common source of supply. The Application Lands are subject to Rule 318.a. for the Lyons Formation.

5. Commission records indicate that no wells are currently producing from the Lyons Formation underlying the Application Lands. There are no producing wells located in the Application Lands.

6. To promote efficient drainage within the Lyons Formation of the Application Lands, to protect correlative rights and to avoid waste, Applicant respectfully requests that the Commission establish an approximate 160 acre drilling and spacing unit for the Application Lands for the production of oil, gas, and associated hydrocarbons from the Lyons Formation.

7. The proposed unit will allow efficient drainage of the Lyons 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 reservoir. The unit requested is not smaller than the maximum area that can be economically and efficiently drained by the proposed well therein.

8. Applicant respectfully requests that the Commission authorize one (1) vertical well within the unit in order to efficiently and economically recover the oil, gas, and associated hydrocarbons from the Lyons Formation within the proposed unit.

9. Pursuant to the relevant provisions of Colo. Rev. Stat. § 34-60-116(6)&(7) and COGCC Rule 530, Applicant also seeks an order pooling all interests in the Application Lands for development and operation of the Lyons Formation in Weld County, Colorado.

10. Applicant requests that a pooling order be entered as a result of this Application and that it be made effective as of the earlier of the date of this Application, or the date costs specified in Colo. Rev. Stat. § 34-60-116(7)(b) are first incurred for the drilling of the Wells in the wellbore units for the Lyons Formation.

11. The names and addresses of the interested parties (persons who own an interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto and marked Exhibit "A". Applicant certifies that copies of this Application will be served on all locatable interested parties within seven (7) days of the date hereof, as required by Commission Rules 503.e. and 507.b.(1), (2), and that at least thirty-five (35) days prior to the date of the scheduled protest deadline for this Application, each such owners not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Wells as owners, and will be provided with the information required by Rule 530.

12. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at Colo. Rev. Stat. § 34-60-101, *et. seq.*, and the Commission rules.

13. Applicant requests the relief granted under this Application be effective upon oral order by the Commission, and the Applicant hereby agrees to be bound by said order.

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 160-acre exploratory drilling and spacing unit for the Application Lands, which is no smaller than the maximum area which can be efficiently and economically drained by one well, for the drilling of one vertical well to the Lyons Formation;

B. Eliminating all internal lease line setbacks;

C. Finding the proposed drilling and spacing unit prevents waste and protects correlative rights;

D. Pooling all interests in the Application Lands for the development and operation of the Lyons Formation;

E. Providing that the pooling order is made effective as of the date of this Application, or the date that the costs specified in Colo. Rev. Stat. § 34-60-116(7)(b) are first incurred for the drilling of a Lyons Formation Well;

F. Provide that the interests of any owner, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized wells, are pooled by operation of statute, pursuant to Colo. Rev. Stat. § 34-60-116(7) and are made subject to the cost recovery provisions thereof;

G. For such other legal, equitable or factual findings and orders to which Applicant is entitled.

RESPECTFULLY SUBMITTED this 31st day of August, 2017.

By:



Scott M. Campbell
Aaron G. Norris
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Telephone No.: (303) 861-4400
Facsimile No.: (303) 861-1225

Applicant's Address:


Dan A. Hughes Company, L.P.
208 E. Houston Street
Beeville, TX 78102

VERIFICATION

STATE OF TEXAS)
)ss.
COUNTY OF BEE)

J. Henry Kremers, Chief Operation Officer/Vice President-Land of Dan A. Hughes Management, L.L.C., as general partner of Dan A. Hughes Company, L.P., for Dan A. Hughes Company, L.P., upon oath deposes and states that he has read the foregoing Application and the statements contained therein are true to the best of his knowledge, information and belief.

DAN A. HUGHES COMPANY, L.P.

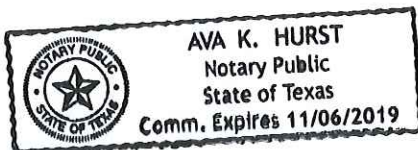


J. Henry Kremers
Chief Operation Officer/
Vice President-Land Rx

This instrument was acknowledged before me on this 29th day of August, 2017, by J. Henry Kremers, Chief Operating Officer/Vice President of Land of Dan A. Hughes Management, L.L.C., as general partner of Dan A. Hughes Company, L.P., a limited partnership, on behalf of said limited partnership.

Witness my hand and official seal.

My commission expires:



Ava K. Hurst
Notary Public

EXHIBIT A
INTERESTED PERSONS LIST

MINERAL OWNERS
T9N-R57W
SECTION 1: S/2SE
T9N-R57W
SECTION 12: N2NE
WELD COUNTY, COLORADO

FOLLOWING ARE THE LAST KNOW ADDRESSES FOR THE MINERAL OWNERS IN THE CAPTIONED ACREAGE:

Two Mile Ranch, a
Colorado General
Partnership
60773 North Highway
71

Stoneham, CO 80754

Cervi Enterprises, Inc.
PO Box 1930
Greeley, CO 80632

City of Wray, CO
PO Box 35
Wray, CO 80758

Wray Area
Foundation, Inc.
PO Box 314
Wray, CO 80758

The United
Methodist Church of
Wray, in Trust
500 Blake Street
Wray, CO 80758

Clarence R. Motis, a
married man dealing
in his sole and
separate property
6676 N. Double Eagle
Meridian, ID 83646

Mary Ann Motis Ritz,
a married woman
dealing in her sole
and separate
property
56 W. Ranch Trail
Morrison, CO 80465

Robert F. Motis, a

married man dealing
in his sole and
separate property
2048 21st Ave. Ct
Greeley, CO 80631

Edward Deane Motis,
a married man
dealing in his sole
and separate
property
4141 Chilberg Ave.
SW
Seattle, WA 98116

Daniel J. Motis, a
married man dealing
in his sole and
separate property
1410 E. 24th Street
Greeley, CO 80631

THE FOLLOWING MINERAL OWNERS ARE ALL DECEASED AND, TO DATE, WE HAVE BEEN UNABLE TO LOCATE ANY HEIRS. NO ADDRESSES FOUND OF RECORD.

Andrew Schmelter

Born 4/24/1910
Died 12/21/1975
Married to Delphine Miedzianowski

Lorraine Michalski

Born: 4/3/26
Died: 5/6/1990

Alvina Schmelter O'Brien (Albina?)

Born 8/16/05
Died 12/26/94

Eugene Schmelter

No information found.

Marie Schmelter Waggoner (Weggoner?)

Born 1918

Rosela Schmelter (adopted child)

No information found.

**EXHIBIT B
LAND MAP**

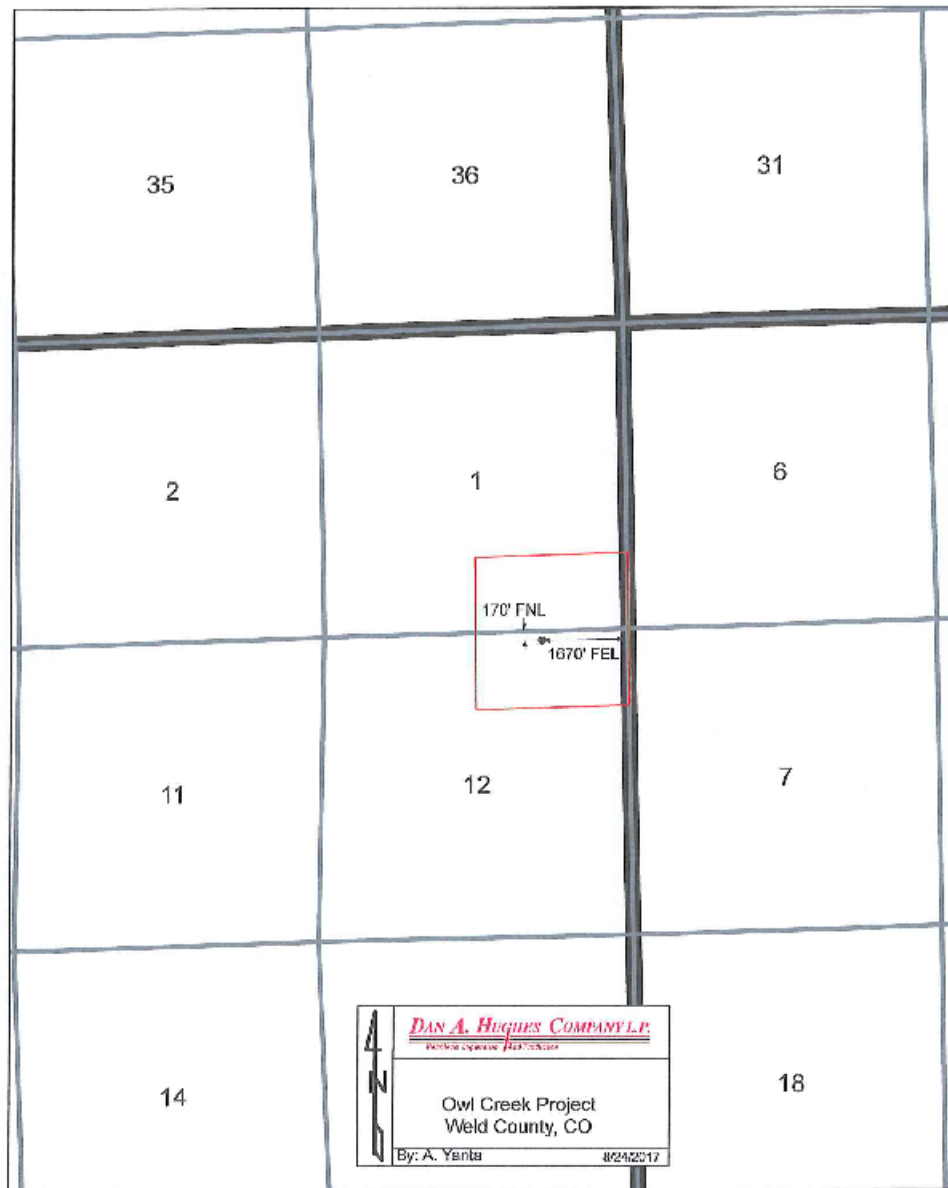


EXHIBIT B
SPACING/POOLING

IN THE MATTER OF THE APPLICATION OF
DAN A. HUGHES COMPANY, L.P. FOR AN
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TYPE: SPACING and POOLING
ORDER

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


Scott M. Campbell

DEBORAH RAINEY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174023599
MY COMMISSION EXPIRES JUNE 5, 2021

My commission expires: June 5, 2021

Deb Roney
Notary Public

INTERESTED PARTIES

CERTIFIED MAIL

Two Mile Ranch, a Colorado General Partnership 60773 North Highway 71 Stoneham, CO 80754	Cervi Enterprises, Inc. PO Box 1930 Greeley, CO 80632
City of Wray, CO PO Box 35 Wray, CO 80758	Wray Area Foundation, Inc. PO Box 314 Wray, CO 80758
The United Methodist Church of Wray, in Trust 500 Blake Street Wray, CO 80758	Clarence R. Motis, 6676 N. Double Eagle Meridian, ID 83646
Mary Ann Motis Ritz 56 W. Ranch Trail Morrison, CO 80465	Robert F. Motis, 2048 21st Ave. Ct Greeley, CO 80631
Edward Deane Motis, 4141 Chilberg Ave. SW Seattle, WA 98116	Daniel J. Motis 1410 E. 24th Street Greeley, CO 80631
Troy Swain LGD Weld County Dept of Planning Services 1555 North 17th Avenue Greeley, CO 80631	Tom Schreiner Energy Liaison Parks & Wildlife Northeast Region Office 6060 Broadway Denver, CO 80216
Kent Kuster Oil & Gas Consultant Coordinator CDPHE 4300 Cherry Creek Drive South Denver, CO 80246-1530	

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Alvina Schmelter O'Brien (Albina?) Born 8/16/05 Died 12/26/94	Eugene Schmelter No information found.
Marie Schmelter Waggoner (Weggoner?) Born 1918	Rosela Schmelter (adopted child) No information found.