

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

IN THE MATTER OF THE APPLICATION)	
OF DJ RESOURCES, INC. FOR AN ORDER)	Cause No. _____
ESTABLISHING FIELD RULES AND FOR)	
POOLING CERTAIN INTERESTS FOR)	Order No. ____ -
PRODUCTION FROM THE "O" SAND)	
FORMATION UNDERLYING CERTAIN)	
LANDS IN LOGAN COUNTY, COLORADO)	

APPLICATION

The Applicant, DJ Resources, Inc. ("DJ Resources"), by and through its undersigned counsel, respectfully petitions the Colorado Oil & Gas Conservation Commission (the "Commission") for an order establishing 40-acre spacing units for production from the "O" Sand Formation underlying the lands described herein, and for an order for the pooling of interests within a certain 40-acre spacing unit comprised of the NE/4SE/4 of Section 20, Township 9 North, Range 53 West. In support thereof, DJ Resources states as follows:

1. DJ Resources is a Delaware corporation duly authorized to conduct business in the State of Colorado.
2. DJ Resources owns leasehold interests in the lands for which it is seeking the establishment of spacing units.
3. The lands sought to be spaced under this Application are the following lands located in Logan County, Colorado:

Township 9 North, Range 53 West

Section 20: All
Section 21: All
Section 28: N/2
Section 29: N/2

4. Colorado Revised Statutes § 34-60-116 authorizes the Commission to establish drilling units of specified and uniform size and shape covering any pool.
5. DJ Resources requests the Commission to establish 40-acre spacing units within the lands described above for production of oil and associated hydrocarbons from the "O" Sand Formation. Further, DJ Resources requests that the permitted well location within each spacing unit be in accordance with the Commission's Rule 318.

6. Evidence and testimony to be provided by DJ Resources will show that a 40-acre spacing unit is not smaller than the maximum area that can be efficiently and economically drained by one well drilled into the "O" Sand Formation underlying the subject lands.

7. The establishment of such 40-acre spacing units will prevent or assist in preventing waste and will protect the correlative rights of leasehold owners and mineral owners.

8. The names and addresses of the interested parties, based on DJ Resources' information and belief, are set forth on Exhibit A attached hereto.

9. A reference map showing the Application lands in proximity to lands previously approved by the Commission for similar requests is attached hereto as Exhibit 1.

APPLICATION FOR INVOLUNTARY POOLING

10. Colorado Revised Statutes § 34-60-116 authorizes the Commission to pool separately owned interests located within a spacing unit for the development and operation thereof. DJ Resources desires to drill a well to the "O" Sand Formation in the NE/4SE/4 of Section 20, Township 9 North, Range 53 West (the "Subject Unit").

11. There are no other lessees within the Subject Unit. DJ Resources has and will make reasonable offers to lease the unleased mineral interests underlying the Subject Unit, and such offers have and will be upon terms no less favorable than those currently prevailing in the area. Further, the unleased mineral owners shall have been furnished such owner's share of the estimated drilling and completion cost of the well, the location and objective depth of the well and estimated spud date for the well or range of time in which spudding is to occur.

12. An order of the Commission pooling all interests in the NE/4SE/4 of Section 20, Township 9 North, Range 53 West is necessary in order to afford each interest owner in the Subject Unit the opportunity to recover and receive its just and equitable share of production from the "O" Sand Formation underlying the Subject Unit.

13. The granting of such an order would not be prejudicial to the owners in the Subject Unit and would prevent waste, protect correlative rights and be in the best interests of conservation.

WHEREFORE, DJ Resources respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing the Commission enter an order:

A. Establishing 40-acre drilling and spacing units consisting of quarter-quarter sections within the subject lands for production of oil and associated hydrocarbons from the "O" Sand Formation with the permitted well in each unit to be as established by the Commission's Rule 318.

B. To pool all interests in the NE/4SE/4 of Section 20, Township 9 North, Range 53 West with respect to all owners from whom DJ Resources has been unable to secure an oil and gas lease or agreement for the drilling of the proposed well with respect to the "O" Sand Formation and that such owners be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the terms and penalties provided for therein.

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

DATED this ____ day of April, 2007.

Respectfully submitted,

DJ RESOURCES, INC.

By:

Applicant

Barry W. Spector, as attorney for

1050 – 17th Street, Suite 1660
Denver, CO 80265
(303) 623-0717

Applicant's Address:

One Riverway, Suite 1870
Houston, TX 77056

VERIFICATION

STATE OF _____)
) ss.
COUNTY OF _____)

David H. Lehman, of lawful age, being first duly sworn upon oath, deposes and says that he is the President and CEO of DJ Resources, 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.

David H. Lehman

Subscribed and sworn to before this ____ day of April, 2007.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

April 26, 2007

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: Affidavit of Mail and List of Parties
Application of DJ Resources, Inc.
Walker Area
Township 9 North, Range 53 West
Section 20: All
Section 21: All
Section 28: N/2
Section 29: N/2
Logan County, Colorado

Ladies and Gentlemen:

Enclosed please find the Affidavit of Mail and list of parties for the above-referenced Application.

The enclosed is also being submitted in electronic format and emailed to margaret.humecki@state.co.us.

Should you have any questions regarding this matter, please contact the undersigned.

Very truly yours,

Barry W. Spector

BWS/cjh

Enclosures

cc: David H. Lehman
DJ Resources, Inc.

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OF THE STATE OF COLORADO

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LANDS IN LOGAN COUNTY, COLORADO)

Cause No. _____

Order No. ____ - _____

AFFIDAVIT OF MAIL

STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER)

ss.

Barry W. Spector, of lawful age, being first duly sworn upon oath, states and declares:

That he is the attorney for DJ Resources, Inc., Applicant herein; that on April ____, 2007, he caused a copy of the attached Application and the Notice of Hearing to be deposited in the United States Mail, postage prepaid, addressed to each of the parties listed on Exhibit "A" to the Application.

By: _____
Barry W. Spector

Subscribed and sworn to before me this ____ day of April, 2007.

Witness my hand and official seal.

My commission expires: July 29, 2008.

Notary Public

[SEAL]

Exhibit "A"

George L. Schroeder and Grace M. Schroeder, Co-
Trustees of the George L. Schroeder Trust dated June
30, 2004
1130 S. 9th Ave 104
Sterling, CO 80751

Dolores M. Miller and William E. Miller, as joint
tenants
1740 N. Doral Way
Flagstaff, AZ 86004

Grace M. Schroeder and George L. Schroeder, Co-
Trustees of the Grace M. Schroeder Trust dated June
30, 2004
1130 S. 9th Ave 104
Sterling, CO 80751

Gary L. Roberts
426 Olivier St.
Algiers, LA 70114

James A. Ashbaugh
5402 64 A Street Close
Ponoka, AB T4J 1T9
Canada

D-M Corporation, a corporation organized and existi
under the laws of the State of Colorado
P.O. Box 1196
Englewood, CO 80150

Eugene L. Long
55 Dartmouth Road
Rancho Mirage, CA 92270

Richard Owen Walker
P.O. Box 1483
Sterling, CO 80751

Laura Gay Mangin, now known as Laura Gay Long
2112 Kesler
Dallas, TX 75208

Margaret Marie Walker
790 West Moorhead Circle, Apt. G
Boulder, CO 80303

Paul Eugene Long
P.O. Box 894
Avon, CO 81620

Christina Lee Vigil
6204 Academy Ridge Dr. NE
Albuquerque, NM 87111

Eugene L. Long and Patricia Long, husband and wife
55 Dartmouth Road
Rancho Mirage, CA 92270

Cord Calderwood
720-A Mineral Springs Road
Dalton, GA 30720

Elvin L. Harmon and Rebecca S. Harman, Co-Trustees
of the Revocable Inter Vivos Trust of Elvin L. Harmon
736 Island Way, Apt. 803
Clearwater, FL 33515

Larry Dean Gilliland and Sandra Kay Gilliland, as Jo
Tenants
13427 C.R. 42
Sterling, CO 80751

Phylis Foxhoven
2788 S. Sherman St.
Englewood, CO 80110

The Federal Land Bank of Wichita, Wichita, Kansas,
Corporation
245 North Waco
P.O. Box 2940
Wichita, KS 67201-2940

Margaret Mary Devlin
3321 W. Lakeview Road
Stillwater, OK 74075

Frank J. Green and Shirley D. Green, as Joint Tenant
13368 C.R. 42
Sterling, CO 80751

Teresa Ann Daniels
6071 S. Stern Parkway
Littleton, CO 80120

First Interstate Bank of Denver, N.A.
P.O. Box 5825
Denver, CO 80217

Cecillia Marie Kleinkauf
2220 North Star St., Unit 2
Anchorage, AK 99503

Glenn C. Green
2019 Linda Lane
Grand Junction, CO 81501

Sharon Kay Harris
PO Box 348
Gordon, NE 69343

Verna Winegar and First Interstate Bank of Denver,
N.A., as Trustees under the will of Frank W. Winega
deceased
370 17th Street, #3210
Denver, CO 80202

Jay E. Beemer
425 Oak Street
Sterling, CO 80751

Adah G. Pantaleo Family Partnership, LLP
P.O. Box 1181
Englewood, CO 80150-1181

Ralph E. Green & Ruby N. Green, as Joint Tenants
1113 Nottingham Court 44
Sterling, CO 80751

Thomas G. Dorough Trust
P.O. Box 1196
Englewood, CO 80150

Frank J. Green
13368 C.R. 42
Sterling, CO 80751

Lola S. Young
2402 Avenue B
Scottsbluff, NE 69361

Harry D. Green
Star Route, Box 215
Howard, CO 81233

Ronda J. Young
2109 Avenue A
Scottsbluff, NE 9361

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Houston, TX 77081

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Scottsbluff, NE 69361

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Wofford Heights, CA 93285

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Breckenridge, CO 80424

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Colorado Springs, CO 80709

Elizabeth Hall Walker
P.O. Box 1737
Conroe, TX 77301

Doris Ruth Grauberger
Rt. 4
Sterling, CO 80751

Jolynn Brailas
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Houston, TX 77096

Mary Little McDannald
5025 Riverway #12
Houston, TX 77027

Jane M. Russell
P.O. Box 795
Collinsville, TX 76233

Dailey Royalties Inc., an Illinois Corporation
% Maurice Dailey
Niedringhaus and Edison Avenue
Granite City, IL 62040

Jerry McDannald
P.O. Box 1265
West Yellowstone, MT 59758

Jerry L. Smith and Linda L. Smith, husband and wife
219 Ancha Vista
Torrington, WY 82240

Barry Cleaves McDannald
3810 West Main (FM518)
P.O. Box 863
League City, TX 77574

C. James Sparks
30 Poncetta Drive #318
Daly City, CA 94015

Arthur Bryan Hall, Jr.
Box 595
Conroe, TX

Larry E. Vance
7733 South Oneida Court
Englewood, CO 80112

Jana Margaret Hall
Box 301
Conroe, TX

Greg L. Roberts
401 N. Timberline Rd. #33
Ft. Collins, CO 80524

Mary Sue McDannald Carlson
5025 Riverway, #12
Houston, TX 77056

Rebecca S. Harmon, Trustee of the Revocable Inter
Vivos Trust of Elvin L. Harmon
1100 Pounce De Leon Blvd. #302N
Clearwater, FL 33756

Robert Morris McDannald, Jr.
5025 Riverway #12
Houston, TX 77056

Mark Leighton Robinson
P.O. Box 1227
Roswell, NM 88202-1227

Janice A. Satrom
58 Sloping Hills Cove
Grand Forks, ND 58201

Lauretta V. Brooks
423 Jonquil Road
Sterling, CO 80751

Donald A. Richardson
1499 Blake Street, No. 2-L
Denver, CO 80202

Robert A. Hamil
532 Kochia Way
Sterling, CO 80751

Alex Brailas, Individually and as Executor of the Estate
of Jolynn Brailas
1221 Sundown Trail
Fisher, TX 78623

Paul L. McCulliss
P.O. Box 3248
Littleton, CO 80161-3248

David McDannald, Individually and as Executor of the
Estate of Barry McDannald
P.O. Box 56206
Houston, TX 77256

Richard O. Duncan
7000 SW Stephen Lane
Portland, OR 97225

Robert Morris McDannald, Jr.
P.O. Box 56007
Houston, TX 77256-6007

U. S. AgBank, FCB formerly known as Farm Credit
Bank of Wichita
245 North Waco St. Office
Wichita, KS 67202

Timothy J. Pivonka Trust #1
2116 SE 14th St.
Loveland CO, 80537

Gerald A. Montague
4444 CR 15
Merino CO, 80741

Paul F. Barnhart Jr. Trustee
2121 Sage Road, Suite 333
Houston, TX 77056

Jody L. Lopez
11089 CR 370
Sterling CO, 80751

Velda Barnhart Wyche a/k/a Velda B. Evans
114 West Seventh St. Suite 725
Austin, TX 78701

Larry D. Gilliland
13427 CR 42
Sterling CO, 80751

TOC – Rocky Mountain Inc. a Delaware Corporation
6162 S. Willow Drive, Suite 300
Englewood, CO 80155

Craig E. Gilliland
1151 Westview Dr.
Sterling CO, 80751

Whittier Investment Company, Inc.
c/o Dr. Tom Brown
1804 Caminito Ascu
La Jolla, CA 92037

Lynette R. Gilliland
307 Mognolia Lane
Sterling CO, 80751

M.L. McGonagle and Dorothy M. McGonagle as joint
tenants
3101 Old Pecos Trail Unit 684
Santa Fe, NM 87505

Tim J. Pivonka
2116 SE 14th St.
Loveland CO, 80537

Orpha A. Smith a/k/a Orpha Smith
P.O. Box 762
Sterling, CO 80751

Elliff Land Company, a Corporation
% John Elliff
P.O. Box 951
Sterling, CO 80751

Winifred N. Armstrong, formerly known as Winifred
McLaren as administratrix of the Estate of H.M.
McLaren
8000 West 14th Street
Denver, CO 80214

Ladd Petroleum Corporation, a Delaware Corporation
830 Denver Club Building
Denver, CO 80202

Mary Hayden
Route 1
33 Carlsbad Avenue
Davis, CA 95616

Kajema Royalty Co.
6212 N. Western
Oklahoma City, OK 73118

Barbara Jean Baetz
% Mrs. Jean E. Nelson
727 West Etruria
Seattle, WA 98119-1845

Larry G. Murray, Jr. and LaVelle Murray, Trustees of
The Larry G. Murray, Jr. Revocable Trust U/A dated
March 22, 1994
1287 South 103rd East Avenue
Tulsa, OK 74128

Mary Jane Baetz
% Mrs. Jean E. Nelson
727 West Etruria
Seattle, WA 98119-1845

Charles Baetz
% Mrs. Jean E. Nelson
727 West Etruria
Seattle, WA 98119-1845

Hall Baetz, Jr.
% Mrs. Jean E. Nelson
727 West Etruria
Seattle, WA 98119-1845

Frances L. Fryberger
c/o Linda L. Beaven
245 S. Holliston Avenue #201
Pasadena, CA 91106

Triangle Royalty Corporation
1019 Waterwood Parkway No. A
Edmond, OK 73034

Linda L. Beaven
245 S. Holliston Avenue #201
Pasadena, CA 91106

Jean A. Baetz
% Mrs. Jean E. Nelson
727 West Etruria
Seattle, WA 98119-1845

MTMJ Trust
P.O. Box 1707
Elk City, OK 73648-1707

Ben H. Parker, Jr.
P. O. Box 1216
Golden, Colorado 80402

Janet M. Taliaferro and/or M. Thurman Myers, Jr. in
their capacities as Trustees of the Janet M. Taliaferro
1988 Trust Agreement, dated December 23, 1988
P.O. Box 54724
Oklahoma City, OK 73154

Phillips Petroleum Company
P.O. Box 1967
Houston, TX 77251-1967

E.A. Elliff
P.O. Box 951
Sterling, CO 80751

John Brockenbough Holmes, Jr.
No Known Address

Allen M. Biggerstaff
No Known Address

Betty Holmes Kolosta
No Known Address

L.E. Lansden, Sr.
No known address

Mary Ann Smith
No Known Address

Morris Ernest Stark
No Known Address

Howard B. Wolfe and/or Josephine O'R. Wolfe, as
Joint Tenants
No Known Address

Lynn Francis Stark Cutrer
No Known Address

Frank A. Matrunola
No Known Address

Robert Driscoll LaRue
No Known Address

School District No. 74
Logan County, Colorado
No known address

William Blake LaRue
No Known Address

Robert Garland
No known address

Lucy Gail Holmes Johnson
No Known Address

Michael J. Dailey
No Known Address

Mildred Maxine Holmes Crites
No Known Address

Patrick L. Dailey
No Known Address

Daniel H. Dailey III
No Known Address

Henry E. Meyer and/or Margaret S Meyer, as Joint
Tenants
No Known Address

Melvin C. Glatz
No known address

Robert W. Selig, Jr.
No known address

Cathy Pepis Michelman
No known address

Ray W. Davis
No known address

