

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

IN THE MATTER OF THE APPLICATION OF )  
CONOCOPHILLIPS COMPANY LLC FOR AN )  
ORDER ESTABLISHING A DRILLING AND )  
SPACING UNIT AND ESTABLISHING WELL )  
LOCATION RULES FOR THE NIOBRARA )  
FORMATION IN SECTION 32, TOWNSHIP 4 )  
SOUTH, RANGE 64 WEST, ARAPAHOE )  
COUNTY, COLORADO )

Cause No. 535

Docket No. 1201-SP\_\_\_\_\_

**APPLICATION**

ConocoPhillips Company ("ConocoPhillips") by and through its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing an approximately 640-acre drilling and spacing unit and establishing well location rules applicable to the drilling and producing of wells to the Niobrara Formation covering certain lands in Arapahoe County, Colorado. In support of its Application, ConocoPhillips states as follows:

1. ConocoPhillips is a Delaware Corporation duly organized and authorized to conduct business in the State of Colorado.
2. ConocoPhillips owns 100% of the oil and gas leasehold interests in Section 32, Township 4 South, Range 64 West of the 6th P.M., Arapahoe County, Colorado (the "Application Lands").
3. The Application Lands are unspaced with respect to the Niobrara Formation.
4. No wells have been drilled on the Application Lands, and no wells have been completed in the Niobrara Formation in any abutting or offsetting section.
5. The Application Lands as to the Niobrara Formation are governed by Rule 318.a, which provides that a well drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line, and not less than 1,200 feet from any other producible or drilling oil and gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.
6. On information and belief, on October 31, 2011, the Commission approved the application of Anadarko E&P Company LP for an order establishing, among other things, a 640-acre drilling and spacing unit for the Niobrara formation in Section 30, Township 4 South, Range 64 West, a directly offset section to the northwest of the Application Lands. The Commission's order authorized the drilling of one horizontal well to the Niobrara Formation, with the option to drill a second such well in the unit, with no such well to be completed closer than 460 feet from the unit boundary or 920 feet from the completed interval of any other well producing from the Niobrara Formation.
7. The Commission should establish a 640-acre drilling and spacing unit, consisting of the Application Lands, for production of oil, gas and associated hydrocarbons from the Niobrara Formation. Because this is the first well drilled to the Niobrara formation on the Application Lands, or any adjacent or offset section, and very few Niobrara wells have been drilled in the area of the

Application Lands, the requested drilling and spacing unit should be designated an exploratory unit under the provisions of Colorado Revised Statute §34-60-116(2).

8. ConocoPhillips should be authorized to drill a vertical exploratory well in the unit to test the Niobrara Formation. If that well is determined to be successful, it should be authorized to drill a horizontal well within the unit to the Niobrara Formation, with such horizontal well to be either a recompletion of the vertical well or an entirely new well.

9. The vertical well shall be completed down hole in the Niobrara Formation no closer than 460 feet to the unit boundary. The horizontal well shall be drilled from anyplace on the surface of the unit or surrounding lands, but the lateral of the horizontal well shall not be completed any closer than 460 feet from the unit boundary, or 920 feet from the completed interval of any other well producing from the Niobrara formation.

10. The above-proposed drilling and spacing unit and well location rules will allow efficient drainage of the Niobrara Formation; prevent waste; not adversely affect correlative rights of any owner, and assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the reservoir.

11. The proposed well(s) can be developed in a manner consistent with protection of the environment, public health, safety and welfare.

12. The names and addresses of the interested parties according to the information and belief of ConocoPhillips are set forth in the annexed **Exhibit A**.

WHEREFORE, ConocoPhillips respectfully requests that this matter be set for hearing on January 23, 2012, notice be given as required by law, and upon such hearing this Commission enter its order consistent with ConocoPhillips's requests set forth above.

RESPECTFULLY SUBMITTED this 22nd day of November, 2011.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By:\_\_\_\_\_

J. Michael Morgan #7279  
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Denver, Colorado 80246  
(303) 753-9000  
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[mmorgan@lohfshaiman.com](mailto:mmorgan@lohfshaiman.com)

Address of Applicant:  
ConocoPhillips Company  
500 Westlake Park Blvd.  
P.O. Box 2197  
Houston, TX 77252

**EXHIBIT "A"**  
**TO APPLICATION OF CONOCOPHILLIPS COMPANY**

Stephen D. Tebo  
P.O. Box T  
1690 Broadway  
Boulder, Colorado 80302

Ron Hovland  
Arapahoe County  
Public Works and Development  
10730 E. Briarwood Ave., Suite 100  
Centennial, Colorado 80112-3853

Celia Greenman  
Colorado Division of Wildlife  
6060 Broadway  
Denver, Colorado 80214

Kent Kuster  
Colorado Department of State  
Health and Environment  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530

**VERIFICATION**

STATE OF TEXAS                    )  
  )  
COUNTY OF HARRIS            )     **ss.**

The undersigned, of lawful age, having been first sworn upon her oath, deposes and states that:

1.     She is the Landman of the Applicant, ConocoPhillips Company, and that she maintains her office at 500 Westlake Park Blvd., P.O. Box 2197, Houston, TX 77252.
2.     She has read the within application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.

\_\_\_\_\_  
Tami H. Hughes

Subscribed and sworn to before me this \_\_\_\_\_ day of November, 2011.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

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**AFFIDAVIT OF MAILING**

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

J. Michael Morgan, of lawful age and being first duly sworn upon his oath, states and declares:

That he is the attorney for ConocoPhillips Company, that on November 22, 2011, and 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.

\_\_\_\_\_  
J. Michael Morgan

Subscribed and sworn to before me this 22<sup>nd</sup> day of November, 2011.

Witness my hand and official seal.  
My commission expires: 09-13-2013

\_\_\_\_\_  
Tonja L. Hoisington, Notary Public