

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

IN THE MATTER OF THE APPLICATION
OF WPX ENERGY ROCKY MOUNTAIN,
LLC FOR AN ORDER ESTABLISHING
WELL LOCATION AND SETBACK RULES
FOR THE DRILLING OF WELLS WITHIN
THE WILLIAMS FORK FORMATION AND
THE ILES FORMATION (INCLUDING THE
SEGO MEMBER OF THE ILES
FORMATION) OF THE MESAVERDE IN
GROUP FOR CERTAIN DESCRIBED
LANDS IN GARFIELD COUNTY,
COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW WPX Energy Rocky Mountain, LLC ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing well location and setback rules applicable to the drilling and producing of wells from the Williams Fork Formation and the Iles Formation (including the Sego member of the Iles Formation) of the Mesaverde Group covering certain described lands in Garfield County and in support of its application states and alleges as follows:

1. That Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.

2. That Applicant owns a leasehold interest in all or a substantial portion of following described lands:

Township 5 South, Range 97 West, 6th P.M.

Section 2: Lots 7(39.25), 8(39.55), S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ (aka W $\frac{1}{2}$)

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

Section 9: ALL

Section 16: N $\frac{1}{2}$

Section 17: E $\frac{1}{2}$

Section 23: W $\frac{1}{2}$

Section 24: W $\frac{1}{2}$

Section 28: N $\frac{1}{2}$, SE $\frac{1}{4}$

Section 29: E $\frac{1}{2}$

Garfield County, Colorado

containing 3,358.80 acres, more or less

(hereinafter "Application Lands")

3. That the Application Lands are unspaced and subject to the Commission's rule 318 which provides that wells to be drilled to a depth of 2,500 feet or greater shall be located not less than six hundred (600) feet from any lease line and shall be located not less than one thousand, two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

4. That multiple wells have been drilled upon the Application Lands or upon lands in close proximity to the Application lands with the result that geological and engineering evidence indicates that Williams Fork and Iles Formation wells should be allowed to be drilled on a ten (10) acre density basis.

5. That as to the Application Lands, the Commission should permit Williams Fork and Iles Formation (including the Sego member of the Iles Formation) wells to be optionally drilled upon a ten (10) acre density basis with each such well to be located downhole anywhere on the Application Lands provided no such well shall be located downhole any closer than 100 feet from a lease boundary unless such boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill ten (10) acre density Williams Fork and Iles Formation (including the Sego member of the Iles Formation) wells in which event Williams Fork Formation wells to be drilled within the leasehold shall be drilled downhole no closer than 200 feet from that portion of the lease boundary which so abuts or corners the lands in respect of which ten (10) acre density downhole drilling for Williams Fork Formation wells has not been ordered by the Commission.

6. That, except as previously authorized by order of the Commission, wells to be drilled under this Application will be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.

7. The granting of this application will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

8. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April 2012; that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this _____ day of January, 2012.

Respectfully submitted:

WPX ENERGY ROCKY MOUNTAIN, LLC

By:

William A. Keefe
Beatty & Wozniak, P.C.
216 Sixteenth St. –Suite 1100
Denver, Colorado 80202

Applicant's Address:

WPX Energy Rocky Mountain, LLC
ATTN: Maxwell Faith
1001 17th Street, Suite 1200
Denver, Colorado 80202

VERIFICATION

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

Maxwell Faith, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for WPX Energy Rocky Mountain, LLC 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.

Maxwell Faith

Subscribed and sworn to before me this _____ day of January, 2012.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

Interested Parties

WPX Energy Rocky Mountain, LLC
Attn: Maxwell Faith
1001 17th Street, Suite 1200
Denver, CO 80202

Chevron U.S.A. Inc
Attn: Tiffany McGuire
1400 Smith St., Room 42135
Houston, TX 77002

Encana Oil & Gas (USA) Inc.
Attn: Doug Pearlman
370 17th St. Suite 1700
Denver, CO 80202

Berry Petroleum
Attn: Patsy Branson
1999 Broadway, Suite 3700
Denver, CO 80202

Yates Petroleum Company
105 S. 4th Street
Artesia, NM 88210

Marathon Oil Company
Attn: Peggy Gilbert
5555 San Felipe, Room 3415
Houston, TX 77054

Myco Industries Inc.
105 S. 4th Street
Artesia, NM 88210

PDC Energy
Attn: Paul Whisenand
1775 Sherman St. Suite 3000
Denver, CO 80202

ABO Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

OXY Y-1
Attn: Tim Mahaffey
5 Greenwood Plaza, Suite 110
Houston, TX 77046

ExxonMobil Corporation
Attn: Paul Keffer
396 W. Greens Rd. Room 710
CORP-WGR-710
Houston, TX 77067

Bureau of Land Management
Glenwood Springs Field Office
50629 Highways 6 & 24
Glenwood Springs, CO 81601

Bureau of Land Management
Colorado State Office
2850 Youngfield St.
Lakewood, CO 80215

Garfield County
144 E. 3rd, Suite 203
Rifle, CO 801650

Kirby H. Wynn
Garfield County
0375 County Road 352, Bldg 2060
Rifle, CO 81650-8412

Kim Kaal
Energy Liaison
Colorado Division of Wildlife
711 Independent Ave.
Grand Junction, CO 81505

Kent Kuster
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

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AFFIDAVIT OF MAILING

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

William A. Keefe of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for WPX Energy Rocky Mountain, LLC, that on or before January _____, 2012, 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.

William A. Keefe

Subscribed and sworn to before me January _____, 2012.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

Township 5 South, Range 97 West 6th P.M.
Garfield County, Colorado

*Not subject to any previous COGCC Orders

*Order 510-17 as to Williams Fork Formation

Producing Mesaverde Gas Well

