

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

IN THE MATTER OF THE APPLICATION OF)
WPX ENERGY ROCKY MOUNTAIN, LLC FOR)
AN ORDER ESTABLISHING TWO (2) 40 ACRE)
DRILLING AND SPACING UNITS FOR THE)
WILLIAMS FORK AND ILES FORMATIONS IN)
THE NW¼NW¼ AND NE¼NW¼, SECTION 23,)
TOWNSHIP 2 SOUTH, RANGE 98 WEST, 6TH)
P.M., OF THE SULPHUR CREEK FIELD, RIO)
BLANCO COUNTY, COLORADO)

Cause No. _____

Docket No. _____

APPLICATION

COMES NOW WPX Energy Rocky Mountain, LLC, (referred to herein as "Applicant"), by and through its undersigned attorneys, and makes application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission"), for an order establishing two (2) 40 acre drilling and spacing units for production of oil, gas, and associated hydrocarbons from the Williams Fork and Iles Formations underlying the following lands:

Township 2 South, Range 98 West, 6th P.M

Section 23: NW¼NW¼ - Drilling and Spacing Unit #1

Section 23: NE¼NW¼ - Drilling and Spacing Unit #2

Rio Blanco County, Colorado ("Application Lands").

In support thereof, the Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.
2. Applicant owns a substantial portion of the leasehold interests on the Application Lands.
3. The Application Lands are unspaced and are subject to Rule 318.a, which provides that a well to be drilled to a depth of two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line, and not less than one thousand two hundred (1200) feet from any other producible oil or gas well or drilling well, in the same formation, unless authorized by order of the Commission upon hearing.
4. The Application Lands are also governed by Commission Order No. 527-9 that established, among other things, that an equivalent of one (1) well per ten (10) acres may be drilled for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, and further established that the setbacks applicable to the Application Lands shall be 100 feet from the boundaries of any lease line without exception being granted by the Director of

the Commission, except that in cases where lands abut or corner lands where the Commission has not at the time of drilling permit application granted the right to drill 10 acre density Williams Fork wells, the well shall be located downhole no closer than 200 feet from the boundaries of any lease line so abutting or cornering such lands without exception being granted by the Director of the Commission.

5. Applicant has drilled the Federal RG 11-23-298 well in Drilling and Spacing Unit #1 and the Federal RG 321-23-298 well in Drilling and Spacing Unit #2 (collectively, the "Wells") on the Application Lands. There are no existing wells on the Application Lands in Drilling and Spacing Unit #1. There is one (1) existing well on the Application Lands in Drilling and Spacing Unit #2, however, it is not producing from the Williams Fork or the Iles Formations.

6. The Williams Fork Formation in this area is defined as the stratigraphic equivalent of the interval between 6218' TVD (top of the Williams Fork) and 9693' TVD' (base of the Williams Fork) as found in the Federal RG 321-23-298 Well located in Section 23, Township 2 South, Range 98 West, Rio Blanco County, Colorado. The Williams Fork Formation is a common source of supply underlying the Application Lands.

7. The Iles Formation in this area is defined as the stratigraphic equivalent of the interval between 9693' TVD (top of the Iles) and 10,870' TVD (base of the Iles/ top of the Mancos) as found in the Federal RG 321-23-298 Well located in Section 23, Township 2 South, Range 98 West, Rio Blanco County, Colorado. The Iles Formation is a common source of supply underlying the Application Lands.

8. Applicant requests that the Commission establish two (2) 40 acre drilling and spacing units on the Application Lands. A plat illustrating the Application Lands is attached hereto.

9. Applicant confirms that the setbacks applicable to the Application Lands shall be no closer than 100 feet from the boundaries of the respective drilling and spacing unit without exception being granted by the Director of the Commission, except that in cases where lands abut or corner lands where the Commission has not at the time of drilling permit application granted the right to drill 10 acre density Williams Fork or Iles wells, the well shall be located downhole no closer than 200 feet from the boundaries of the respective drilling and spacing unit so abutting or cornering such lands without exception being granted by the Director of the Commission.

10. Applicant further confirms that any well drilled or bottomholed in the two (2) 40 acre drilling and spacing units shall be drilled from the surface within the applicable unit or lands adjacent thereto, either vertically or directionally, from no more than one (1) pad in a quarter quarter section, unless exception is granted by the Commission pursuant to application made for such exception.

11. Applicant asserts that two (2) 40-acre drilling and spacing units will allow for economic and efficient drainage of the Williams Fork and Iles Formations; will prevent waste; will not adversely affect correlative rights; and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. A 40 acre drilling and spacing unit is not

smaller than the maximum area that can be economically and efficiently drained by the number of wells allowed by the 10 acre bottomhole density established by the Commission Orders referenced above.

12. Applicant maintains that the drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

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

A. Establishing two (2) 40 acre drilling and spacing units for production of oil, gas, and associated hydrocarbons from the Williams Fork and Iles Formations underlying the following lands:

Township 2 South, Range 98 West, 6th P.M
Section 23: NW $\frac{1}{4}$ NW $\frac{1}{4}$ - Drilling and Spacing Unit #1
Section 23: NE $\frac{1}{4}$ NW $\frac{1}{4}$ - Drilling and Spacing Unit #2

Rio Blanco County, Colorado;

B. Establishing that the treated interval of any well drilled in the two (2) 40 acre drilling and spacing units shall be no closer than 100 feet from the boundaries of the respective drilling and spacing unit without exception being granted by the Director of the Commission, except that in cases where lands abut or corner lands where the Commission has not at the time of drilling permit application granted the right to drill 10 acre density Williams Fork or Iles wells, the well shall be located downhole no closer than 200 feet from the boundaries of the respective drilling and spacing unit so abutting or cornering such lands without exception being granted by the Director of the Commission.

C. Establishing that any well drilled or bottomholed in the two (2) 40 acre drilling and spacing units shall be drilled from the surface within the applicable unit or lands adjacent thereto, either vertically or directionally, from no more than one (1) pad in a quarter quarter section, unless exception is granted by the Commission pursuant to application made for such exception.

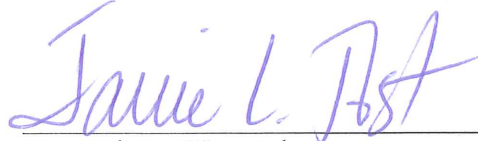
D. Finding that each 40 acre drilling and spacing unit will prevent waste, protect correlative rights, and will maximize the efficient and economic production of the Williams Fork and Iles Formations on the Application Lands.

Dated this 21st day of June, 2012.

Respectfully submitted:

WPX ENERGY ROCKY MOUNTAIN, LLC

By:



Kenneth A. Wonstolen

Jamie L. Jost

Theresa M. Sauer

Beatty & Wozniak, P.C.

216 Sixteenth Street, Suite 1100

Denver, Colorado 80202

Telephone No.: (303) 407-4499

Applicant's Address:

WPX Energy Rocky Mountain, LLC

ATTN: Maxwell Faith

1001 17th Street, Suite 1200

Denver, CO 80202

VERIFICATION

STATE OF COLORADO

)

)

ss.

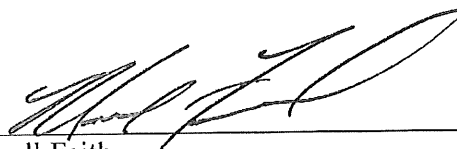
CITY AND COUNTY OF DENVER

)

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.

By:

Maxwell Faith



Subscribed and sworn to before me this 21st day of June, 2012.

Witness my hand and official seal.

My commission expires: 5/21/2015

Notary Public

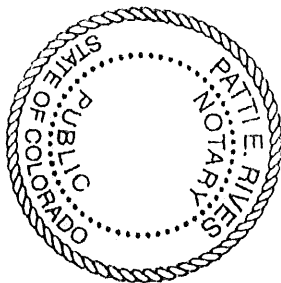
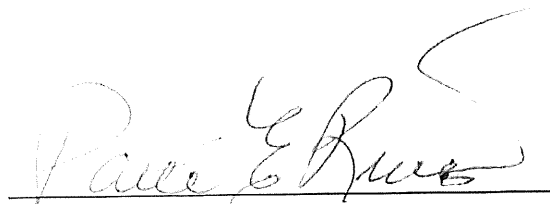


EXHIBIT A
Interested Parties

OXY USA WTP, LP
PO Box 77227
Houston, TX 77227-7570
ATTN: Tim Mahaffey

Vantage Energy Piceance, LLC
116 Inverness Drive East, Suite 107
Englewood, CO 80112
ATTN: Michael Holland

XTO Energy, Inc.
810 Houston St.
Ft. Worth, TX 76102
ATTN: Paul Keffer

Deejay Associates, Inc.
518 17th St. Suite 200
Denver, CO 80202
ATTN: Steve James

United States – Bureau of Land Management
2850 Youngfield St.
Lakewood, CO 80215

Kim Kaal
Energy Liaison - DOW
6060 Broadway
Denver, CO 80216

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

Kimberly Bullen
Rio Blanco County
P.O. Box 1047
Meeker, CO 81641

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P.M., RIO BLANCO COUNTY, COLORADO)

Cause No. _____

Docket No. _____

AFFIDAVIT OF MAILING

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

Jamie L. Jost, of lawful age, and being first duly sworn upon her oath, states and declares:

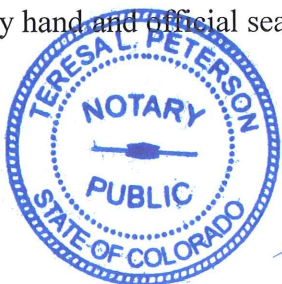
That she is an attorney for WPX Energy Rocky Mountain, LLC, that on or before June 21, 2012, she caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

By: _____

Jamie L. Jost

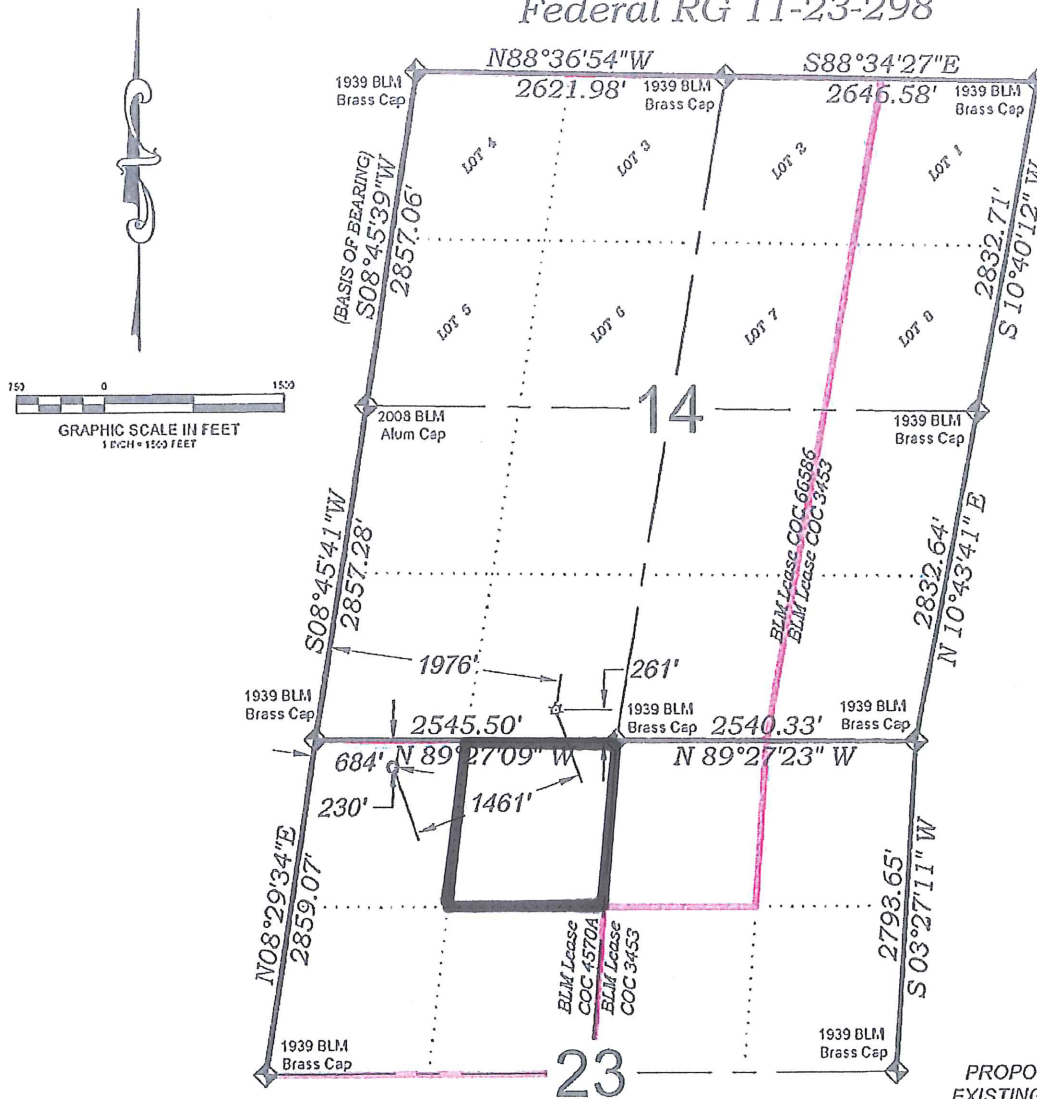
Subscribed and sworn to before me this 21 day of June, 2012.

Witness my hand and official seal.



My commission expires: 10-04-13

Federal RG 11-23-298



SURFACE HOLE LOCATION

261 FSL
1976 FWL

NAD 83

LATITUDE

39.870344°

LONGITUDE

-108.363189°

NORTHING

1754570.0

EASTING

2196437.4

BOTTOM HOLE LOCATION

230 FNL

684 FWL

NAD 83

LATITUDE

39.868912°

LONGITUDE

-108.368051°

NORTHING

1754091.9

EASTING

2195056.7

PROPOSED PAD ELEV.: 6685.7
EXISTING GROUND ELEV.: 6685.7

- LEGEND -

FIELD LOCATED SECTION
MONUMENTS AS DESCRIBED



FIELD SURVEYED
WELL LOCATION



CALCULATED BOTTOM
HOLE LOCATION



CALCULATED SECTION
CORNER LOCATION



NOTES

- 1) ELEVATIONS BASED ON N.A.V.D. 1988 PUBLISHED COORDINATES.
- 2) LATITUDES AND LONGITUDES ARE BASED ON NAD 83, PUBLISHED COORDINATES.
- 3) STATE PLANE COORDINATES ARE BASED ON COLORADO CENTRAL ZONE, U.S. SURVEY FEET.
- 4) ELEVATION MASK SET TO 15°
- 5) GPS OPERATOR J. KIRKPATRICK, OBSERVED A PDOP OF 1.8 FOR SURVEY POINT NUMBER 30509.
- 6) SURFACE AND BOTTOM HOLE LOCATIONS ARE MEASURED 90° FROM SECTION LINES.

WELL LOCATION PLAT Prepared for:

Williams. Williams Production, RMT

SE1/4 SW1/4, SECTION 14
T. 2 S., R. 98 W. of the 6th. P.M.
Rio BLANCO COUNTY, COLORADO

SURVEYORS STATEMENT

I, MICHAEL J. LANGHORNE, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY THAT THE SURVEY SHOWN HEREON WAS PREPARED UNDER MY DIRECT SUPERVISION AND HAS BEEN STAKED ON THE GROUND AS SHOWN ON THE PLAT AND CHECKING THAT THIS MAP IS A TRUE REPRESENTATION THEREOF.

Michael J. Langhorne

MICHAEL J. LANGHORNE, COLORADO REGISTRATION NO. 36572
FOR AND ON BEHALF OF
BOOKCLIFF SURVEY SERVICES, INC.

REFERENCES

- 1) CORRECTIVE DEPENDENT RESURVEY T. 2 S., R. 98 W., 6th P.M. (GLO PLAT)
- 2) U.S.G.S. QUAD: Rock School and Square S Ranch, CO

REVISED: 6/20/11

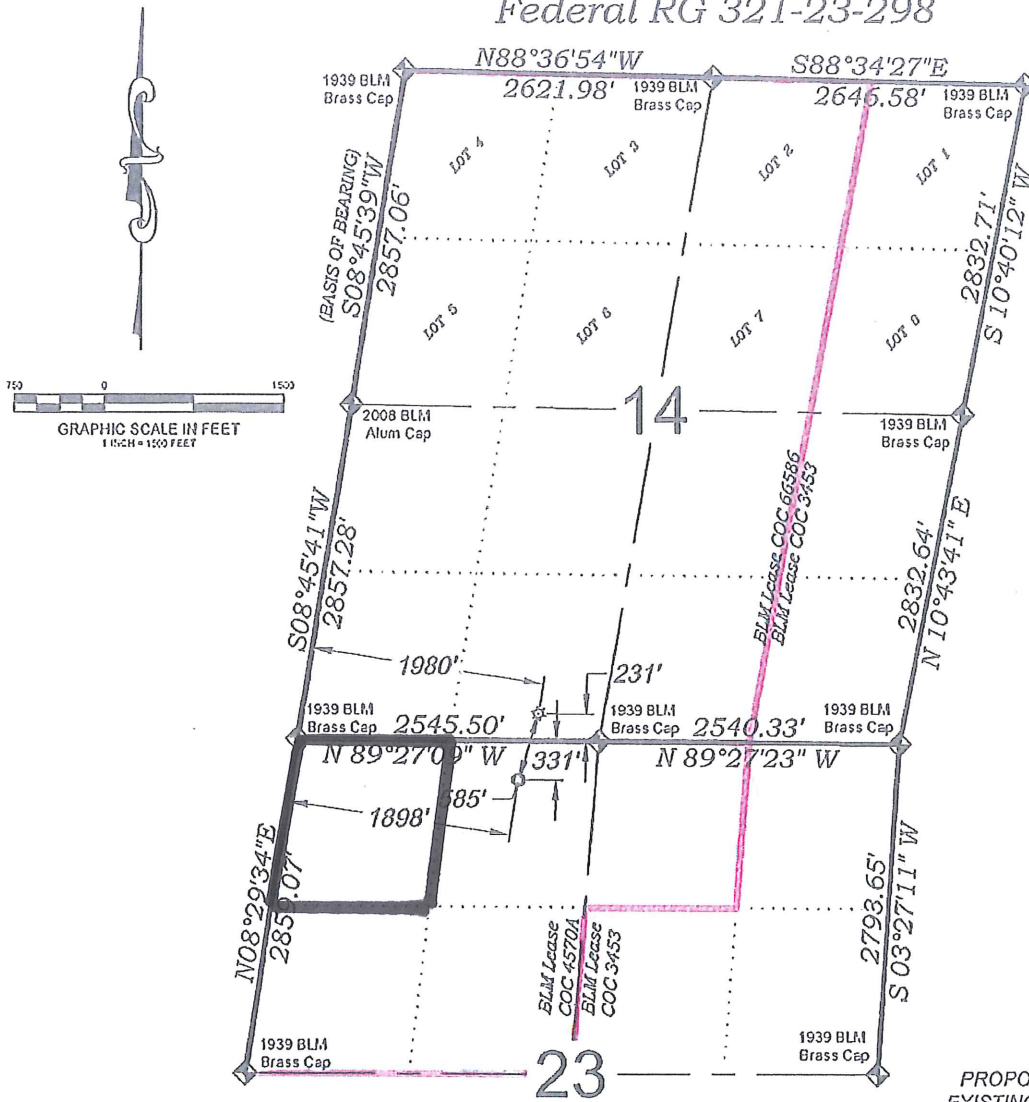
134 East Third Street
P.O. Box 81650
Phoenix, Arizona 85061
Ph: (602) 625-2720
Fax: (602) 625-2773



BOOKCLIFF
Survey Services, Inc.

SURVEY DATE: 3/23/10
MAP DATE: 6/2/10
SCALE: 1" = 1500'
PLAT: 1 of 1
PROJECT: Williams Highland

Federal RG 321-23-298



SURFACE HOLE LOCATION

231 FSL
1980 FWL

NAD 83

LATITUDE

39.870261°

LONGITUDE

-108.363190°

NORTHING

1754540.0

EASTING

2196436.1

BOTTOM HOLE LOCATION

331 FNL
1898 FWL

NAD 83

LATITUDE

39.868709°

LONGITUDE

-108.363728°

NORTHING

1753979.7

EASTING

2196267.4

PROPOSED PAD ELEV.: 6685.7
EXISTING GROUND ELEV.: 6685.7

SEE CONSTRUCTION LAYOUT
PLAT FOR VISIBLE IMPROVEMENTS
WITHIN 400' OF THIS LOCATION

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REVISED: 6/20/11

155 East Third Street
P.O. Box 6165
P.O. Box 6165
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WELL LOCATION



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