

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

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|--------------------------------------|---|----------------------------------|
| IN THE MATTER OF THE APPLICATION OF |) | |
| WPX ENERGY ROCKY MOUNTAIN, LLC, FOR |) | CAUSE NO. 510 |
| AN ORDER ALLOWING AN EXCEPTION |) | |
| LOCATION FOR A HORIZONTAL WELL TO BE |) | DOCKET NO. <i>To be assigned</i> |
| COMPLETED IN THE NIOBRARA FORMATION, |) | |
| GARFIELD COUNTY, COLORADO |) | |

APPLICATION

WPX Energy Rocky Mountain, LLC (“WPX” or “Applicant”), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order allowing an exception location from Rule 318.a. for the Williams #GM 701-4 HN1 Well, a horizontal well drilled, and to be completed, in the Niobrara Formation. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant is drilling the Williams #GM 701-4 HN1 Well (the “Well”), API #05-045-21487, a horizontal well drilled from a surface location in the NE¼ NE¼ of Section 4, Township 7 South, Range 96 West, 6th P.M., with the lateral portion of the wellbore located in the Niobrara Formation which traversing Sections 3, 4, 9, and 10 of Township 7 South, Range 96 West, 6th P.M. to a bottomhole location in the SW¼ NW¼ of said Section 10. A map depicting the boundary of federal oil and gas lease Serial No. COC24603, held in part by the Applicant, and the wellbore path of the Well, is attached hereto and marked as Exhibit A.

3. Rule 318.a. of the Final Amended Rules of the Commission provides that a well 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 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 sources of supply, unless authorized by order of the Commission upon hearing. An Application for Permit-to-Drill (“APD”), Form 2, was approved for the Well with the top of the treated interval for the Niobrara Formation to be no closer than 1,890 feet FNL and no closer than 510 feet FEL of Section 4, Township 7 South, Range 96 West, 6th P.M.

4. Applicant has completed the Federal #GM 743-4 Well, API #05-045-20912, a vertical well located in the NE¼ SE¼ of Section 4, Township 7 South, Range 96 West, 6th P.M., in the Niobrara Formation, and determined that effective hydraulic fracture stimulation did not radiate more than one hundred twenty five (125) feet in any direction from the wellbore. Applicant asserts that the Rule 318.a. setback of six hundred (600) feet from any lease line is excessive given the characteristics of the Niobrara Formation in this area and would result in waste of the resource.

5. Applicant herein seeks an exception from Rule 318.a. for the Well which will allow the completion and production of the treated interval of the wellbore no closer than three

hundred (300) feet from any lease line. Specifically, Applicant seeks to complete and produce the lateral portion of the Well to a point not less than 300 feet from where the wellbore passes from the NE¼ NE¼ of said Section 4.

6. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

7. That the names and addresses of the interested parties (owners of any contiguous or concerning tract towards which the Well location is proposed to be moved, provided that when the applicant owns any interest covering such tract, the mineral interest owner/lessor underlying the tract shall also be notified) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

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. Approving an exception location for the Williams #GM 701-4 HN1 Well, described above, which authorizes for the completion and production of the treated interval of the wellbore no closer than three hundred (300) feet from any lease line, for the production of gas and associated hydrocarbons from the Niobrara Formation.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this _____ day of September, 2012.

Respectfully submitted,

WPX ENERGY ROCKY MOUNTAIN, LLC

By: _____
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VERIFICATION

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

Christopher M. Walsh, Senior Staff Landman for WPX Energy Rocky Mountain, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

WPX ENERGY ROCKY MOUNTAIN, LLC

Christopher M. Walsh

Subscribed and sworn to before me this _____ day of September, 2012, by Christopher M. Walsh, Senior Staff Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners of any contiguous or concerning tract towards which the Well location is proposed to be moved) according to the information and belief of the Applicant are set forth in this Exhibit B.

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