

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

IN THE MATTER OF THE APPLICATION OF)
CONOCOPHILLIPS COMPANY FOR AN ORDER)
ESTABLISHING FOUR APPROXIMATE 640-ACRE)
DRILLING AND SPACING UNITS, APPROVING UP)
TO TWO HORIZONTAL WELLS WITHIN EACH)
PROPOSED UNIT, AND ESTABLISHING WELL)
LOCATION RULES FOR HORIZONTAL WELLS TO)
THE NIOBRARA FORMATION, UNNAMED FIELD,)
LOCATED IN TOWNSHIPS 4 & 5 SOUTH, RANGES)
63 & 64 WEST, ARAPAHOE COUNTY, COLORADO)

Cause No. 535

Docket No. 1301-SP- _____

VERIFIED APPLICATION

ConocoPhillips Company ("ConocoPhillips") by and through its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, respectfully submits its Verified Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing four (4) approximate 640-acre spacing units for production of oil, gas and associated hydrocarbon substances, applicable to the drilling and producing of horizontal wells to the Niobrara Formation, and establishing related well location rules, covering certain lands in Arapahoe County, Colorado, and in support states as follows:

1. ConocoPhillips is a Delaware corporation duly organized and authorized to conduct business in the State of Colorado.

2. ConocoPhillips owns certain oil and gas leasehold interests in the following lands in Arapahoe County, Colorado (the "Application Lands"):

Township 4 South, Range 63 West of the 6th P.M.
Sections 8 and 28

Township 4 South, Range 64 West of the 6th P.M.
Section 2

Township 5 South, Range 64 West of the 6th P.M.
Section 2

3. The Application Lands are unspaced with respect to the Niobrara Formation, and are subject to Rule 318.a, which among other things provides that a well to be drilled in excess of two thousand five hundred (2,500) in depth 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 drilled to the same source of supply, unless authorized by order of the Commission upon hearing.

4. The records of the Commission reflect that no wells are currently producing nor have they previously produced from the Niobrara Formation in the Application Lands.

5. To promote efficient drainage of the Niobrara Formation in the Application Lands, to protect correlative rights, avoid waste, and assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the formation, the Commission should establish spacing

units of approximately 640 acres, consisting of each section within the Application Lands, applicable to the drilling and producing of horizontal wells to the Niobrara Formation.

6. ConocoPhillips requests an order allowing it to drill and complete one horizontal well, with the option to drill a second horizontal well, in each 640-acre spacing unit in the Application Lands. Each proposed horizontal well shall be drilled in the spacing unit, regardless of lease lines within the unit, with the completed interval of such wells in the Niobrara Formation no closer than 460 feet from the boundaries of the spacing unit, and no closer than 920 feet from the completed interval in another well producing from the same source of supply. Each proposed horizontal well should be permitted to be located on the surface anywhere within the spacing unit, or on adjacent lands if authorized by the owners thereof.

7. The proposed spacing units, and well location rules established in the requested order would be applicable to the drilling and production of horizontal wells only, with vertical and directional wells to the Niobrara formation remaining subject to Commission Rule 318.a. or such other orders as may be entered by the Commission.

8. The above-proposed drilling and spacing units 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 reservoirs.

9. Drilling and spacing units for horizontal wells of the size and shape specified above are not smaller than the maximum area which can be economically and efficiently drained by a single horizontal well to the Niobrara Formation in each proposed unit.

10. The proposed wells can be developed in a manner consistent with protection of the environment, public health, safety and welfare.

11. The names and addresses of interested parties according to the information and belief of ConocoPhillips are set forth in the annexed **Exhibit A**. The undersigned certifies that copies of this Verified Application shall be served on each interested party as required by Rule 503.e.

WHEREFORE, ConocoPhillips respectfully requests this matter be set for hearing, notice be given as required by law, and upon such hearing this Commission enter its order:

A. Establishing the Application Lands as four (4) approximate 640-acre drilling and spacing units for production of oil, gas and associated hydrocarbons from horizontal wells to the Niobrara Formation, and allowing the drilling of one horizontal well, with the option to drill a second horizontal well, in each such unit.

B. Providing that the treated interval of the proposed horizontal wells shall be no closer than 460 feet from the boundaries of the unit, regardless of the lease lines within the unit, and not less than 920 feet from the completed interval of another well producing from the same source of supply.

C. For such other findings and orders consistent with the requests set forth above which the Commission may determine to be just and proper.

RESPECTFULLY SUBMITTED this 2nd day of November, 2012.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: 
J. Michael Morgan #7279
950 South Cherry Street, Suite 900
Denver, Colorado 80246
(303) 753-9000
(303) 753-9997 (fax)
mmorgan@lohfshaiman.com

Address of Applicant:
ConocoPhillips Company
3300 North "A" Street, Bldg 6
Midland, TX 79705

EXHIBIT "A"

TO VERIFIED APPLICATION OF CONOCOPHILLIPS COMPANY

Applicant:

ConocoPhillips Company
3300 North "A" Street, Bldg 6
Midland, TX 79705

Applicant's Attorney:

J. Michael Morgan, Esq.
Lohf Shaiman Jacobs Hyman & Feiger PC
950 South Cherry Street, Suite 900
Denver, CO 80246

Local Government Designee:

Diane Kocis
Arapahoe County Public Works & Development
6924 South Lima Street
Centennial, Colorado 80112

Other Interested Parties:

Mr. Nick Watkins
Chesapeake Exploration, LLC
P.O. Box 18496
Oklahoma City, OK 73154

OOGC America, Inc.
c/o CNOOC International Ltd
Attn: Qing Jiang, President
P.O. Box 4705
No. 25 Chaoyangmenbei Dajie
Dongcheng District, Beijing
100010 P.R. China

Anadarko E&P Company LP
Anadarko Petroleum Corporation
Attn: Patrick McGraw, Sr. Landman
1099 18th Street, Suite 1800
Denver, CO 80202

Champlin Petroleum Company
c/o Anadarko Land Corp.
P.O. Box 9149
The Woodlands, TX 77387

Nick Adinolfi
2156 S. Sand Creek Court
Bennett, CO 80102

Hilcorp Energy X, L.P.
1201 Louisiana Street, Suite 1400
Houston, TX 77002

Robert Hubbard
2150 South County Road #129
Bennett, CO 80102

Sheryl L Hughes and Marc G Field
2267 South Eastover Street
Bennett, CO 80102

K.P. Kauffman Company, Inc.
1675 Broadway, Suite 1970
Denver, CO 80202

Kerr-McGee Rocky Mountain Corporation
1999 Broadway, Suite 3700
Denver, CO 80202

Linnebur Grain & Buffalo, LLLP
74600 U.S. Highway 36,
Byers, CO 80103

Marni McMillan and Sean McMillan
19039 East Hollow Creek Lane
Parker, CO 80134

James Miller
2150 South County Road #129
Bennett, CO 80102

B & D Land Company 600 LLC
P. O. Box 210
Kiowa, CO 80117-0210

Douglas F. Cline
P.O. Box 24527
Denver, CO 80224

Hank Szymanski
US Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215

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 MIDLAND) ss.

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

1. He is a Landman for the Applicant, ConocoPhillips Company, and he maintains his office at 3300 North "A" Street, Bldg 6, Midland, TX 79705.

2. He 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.



Carson Buckles

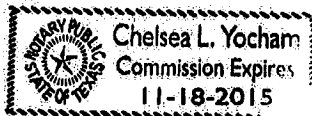
Subscribed and sworn to before me this 31 day of October, 2012.

Witness my hand and official seal.

My commission expires: 11-18-2015



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 in the above-captioned matter, that on November 2nd, 2012, 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 2nd day of November, 2012.

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



Tonja L. Hoisington, Notary Public

