

**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 TWO 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 SECTIONS 6 & 7, TOWNSHIP 5 )  
SOUTH, RANGE 63 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 two (2) 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 5 South, Range 63 West of the 6th P.M.  
Sections 6 & 7

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 2,500 in depth shall be located not less than 600 feet from any lease line, and shall be located not less than 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:

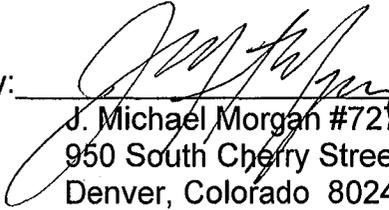
A. Establishing the Application Lands as two (2) approximate 640-acre drilling and spacing units for production of oil, gas and associated hydrocarbons from horizontal wells to the Niobrara Formation, and allowing the drilling of one horizontal well, with the option to drill a second horizontal well, 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@lohshaiman.com](mailto:mmorgan@lohshaiman.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:**

K. P. Kauffman Company, Inc.  
1675 Broadway, Suite 2800  
Denver, CO 80202

Elizabeth J. Lauver, Successor Trustee  
Agreement and Declaration of Trust  
dated December 10, 1964 Amended  
267 Pebble Beach Loop  
Pittsburg, PA 94565-2345

Arapahoe County  
5334 S. Prince Street  
Littleton, CO 80120

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.

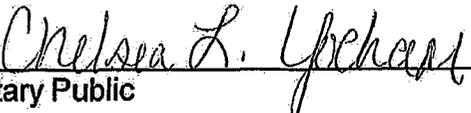
Further Affiant sayeth not.

  
\_\_\_\_\_  
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

