

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	)	CAUSE NO. 510
ORDER ESTABLISHING AN APPROXIMATE 160-	)	
ACRE DRILLING AND SPACING UNIT FOR THE	)	DOCKET NO. <i>To be assigned</i>
SW¼ OF SECTION 27, TOWNSHIP 7 SOUTH,	)	
RANGE 96 WEST, 6 <sup>TH</sup> P.M., FOR THE WASATCH	)	
FORMATION, GRAND VALLEY FIELD, 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 establishing an approximate 160-acre drilling and spacing unit for the SW¼ of Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Wasatch 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 owns substantial leasehold interests in the below-listed lands:

Township 7 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 27: SW¼

These lands are hereinafter referred to as the “Application Lands.” A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

3. On or about May 16, 1994, the Commission entered Order No. 510-1 which, among other things, approved new setback rules for certain lands, including Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., for permitted wells to be located no closer than 400 feet from the boundaries of any lease line and no closer than 800 feet from any existing Williams Fork Formation well(s).

4. On or about March 22, 2005 (corrected February 28, 2006), the Commission entered Order No. 510-14 which, among other things, established 160-acre drilling and spacing units for certain lands, including the SW¼ of Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., and approved the equivalent of one well per 10 acres, for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the unit boundaries.

5. On or about July 28, 2006 (corrected September 5, 2006), the Commission entered Order No. 510-23 which, among other things, established a 160-acre drilling and spacing unit for the SW¼ of Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., with the option to

drill up to two wells, for the production of gas and associated hydrocarbons from the Iles Formation, with the permitted well to be located in the NW $\frac{1}{4}$  SW $\frac{1}{4}$  and the SE $\frac{1}{4}$  SW $\frac{1}{4}$  of said Section 27 and no closer than 600 feet from the unit boundaries.

6. On or about April 18, 2012, the Commission entered Order No. 510-29 which, among other things, established an approximate 2,605.97-acre exploratory drilling unit for certain lands, which includes the SW $\frac{1}{4}$  of Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., for horizontal and vertical well development, for the production of gas and associated hydrocarbons from the Mancos, Niobrara, Frontier, Mowry, and Dakota Formations (the "Deep Formations"), with the bottomhole or treated interval of the permitted wellbore(s) to be located no closer than 600 feet from the outer boundaries of the unit and not less than 600 feet from any other well or treated interval of a well producing from the same common source of supply, without exception being granted by the Director.

7. Rule 318.a. of the Commission Rules 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. The SW $\frac{1}{4}$  of Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., is subject to this Rule for the Wasatch Formation.

8. Applicant requests the Commission enter its order establishing an approximate 160-acre drilling and spacing unit for the Application Lands, and authorize the completion of one (1) or more wells within the unit, for the production of gas and associated hydrocarbons from the Wasatch Formation.

9. Any wells permitted under this Application are to be recompleted in existing wells with the recompletion to be located no closer than 600 feet from the unit boundaries.

10. Applicant asserts that the granting of this Application is necessary to relieve high bradenhead pressures found at wells drilled and completed in Williams Fork and Iles Formation wells (which are deeper than the Wasatch Formation) on the Application Lands. Applicant has been working with the COGCC staff to implement a plan to recomplete certain well(s), under the authority of the orders requested in this Application, to address this concern.

11. 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.

12. That the names and addresses of the interested parties (owners within the proposed drilling unit) 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. Establishing an approximate 160-acre drilling and spacing unit for the SW¼ of Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., and authorizing the recompletion of one (1) or more existing wells completed to other deeper formations within the unit, for the production of gas and associated hydrocarbons from the Wasatch Formation.

B. Requiring that any wells permitted under this Application shall be recompleted in existing wells with the recompletion located no closer than 600 feet from the unit boundaries.

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

DATED this 24 day of January, 2013.

Respectfully submitted,

WPX ENERGY ROCKY MOUNTAIN, LLC

By: 

Robert A. Willis (Colorado Bar No. 26308)

Burleson LLP

Wells Fargo Center

1700 Lincoln Street, Suite 1300

Denver, CO 80203

(303) 801-3200

Applicant's Address:

WPX Energy Rocky Mountain, LLC

Christopher Walsh, Senior Staff Landman

1001 17th Street, Suite 1200

Denver, CO 80202

VERIFICATION

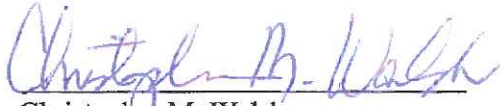
STATE OF COLORADO )

) 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

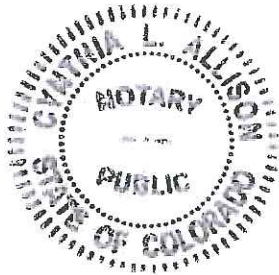


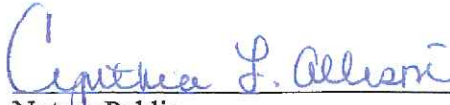
Christopher M. Walsh

Subscribed and sworn to before me this 25<sup>th</sup> day of January, 2013, by Christopher M. Walsh, Senior Staff Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: 7-31-2014



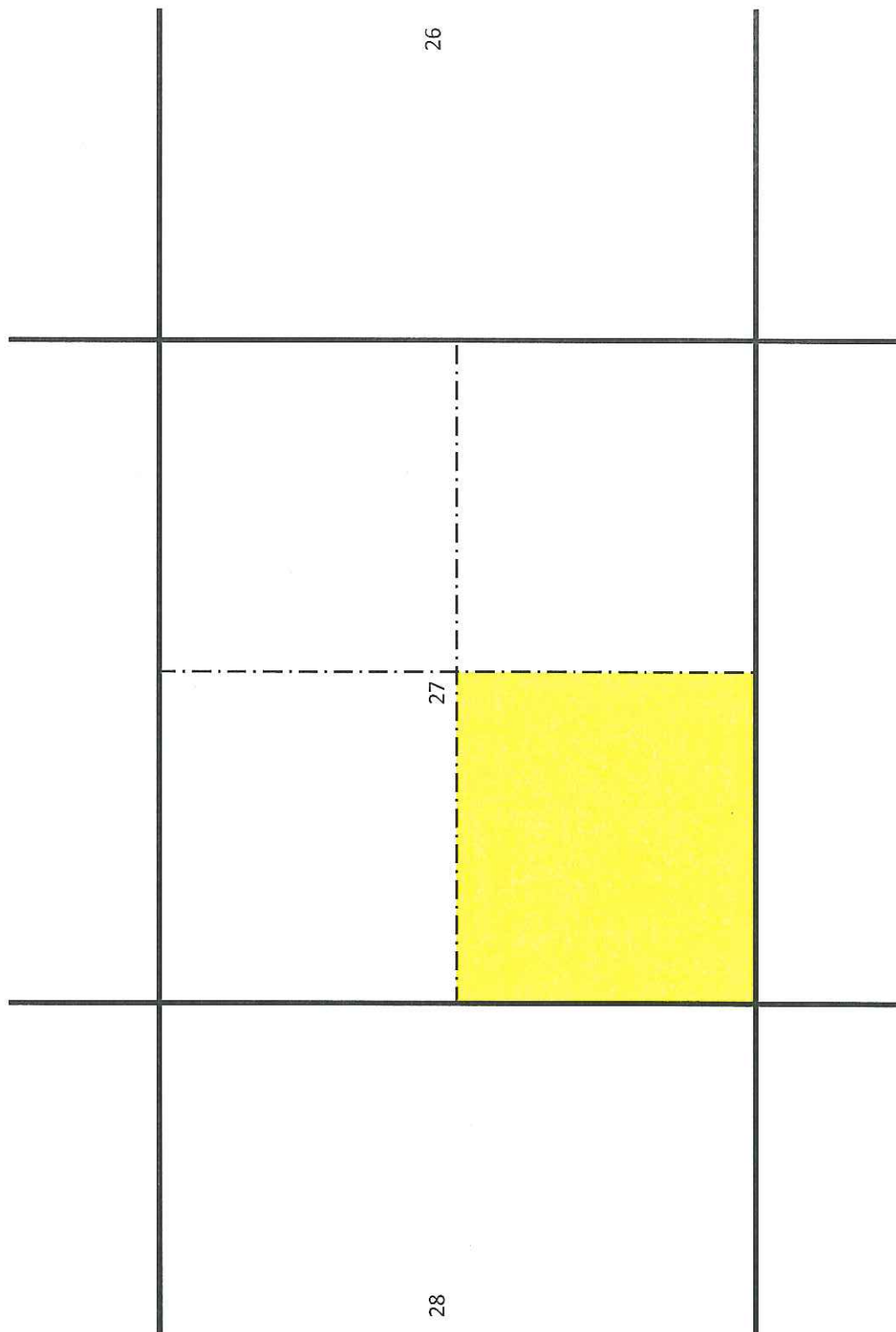
  
Notary Public

**Exhibit A**  
Application Map

SW $\frac{1}{4}$  of Sec. 27, T7S, R96W  
Garfield County



Application lands -



## EXHIBIT B

### INTERESTED PARTIES

The names and addresses of the interested parties (owners within the SW¼ of Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M.) according to the information and belief of the Applicant are set forth in this Exhibit B.

WPX Energy Rocky Mountain, LLC  
Mr. Christopher M. Walsh  
1001 17<sup>th</sup> Street, Suite 1200  
Denver, CO 80202

Robert A. Willis  
Burleson LLP  
1700 Lincoln St., Suite 1300  
Denver, CO 80203

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

Garfield County  
144 E. 3<sup>rd</sup>, Suite 203  
Rifle, CO 81650

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

Energy Liaison  
Colorado Parks & Wildlife  
711 Independent Ave.  
Grand Junction, CO 81505

Ivy Energy, Inc.  
Attn: Michael Burton  
5110 South Yale, Suite 410  
Tulsa, OK 74135

Encana Oil & Gas (USA) INC.  
Attn: Ms. Patricia DiGrappa  
370 17<sup>th</sup> Street  
Denver, CO 80202

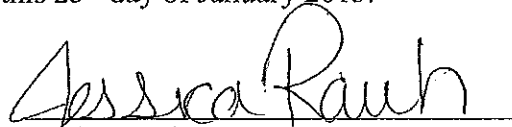
BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION ) CAUSE NO. 510  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN THE GRAND ) DOCKET NO. *to be assigned*  
VALLEY FIELD, GARFIELD COUNTY, )  
COLORADO )

AFFIDAVIT OF MAILING OF APPLICATION


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

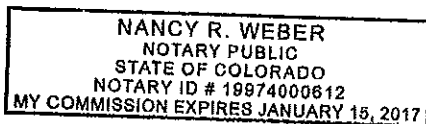
Jessica Rauh, of lawful age, and being first duly sworn upon her oath, states and declares that she caused a copy of the **APPLICATION** (for an order establishing an approximate 160-acre drilling and spacing unit for the SW¼ of Section 27, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Wasatch Formation), in the above-captioned matter to be deposited in the United States Mail, postage prepaid, addressed to the interested parties on the attached Exhibit A on this 25<sup>th</sup> day of January 2013.

  
Jessica Rauh

Subscribed and sworn to before me on the 25<sup>th</sup> day of January 2013.

Witness my hand and official seal.

  
Notary Public



My commission expires: 1/15/2017

EXHIBIT A

INTERESTED PARTIES

WPX Energy Rocky Mountain, LLC  
Mr. Christopher M. Walsh  
1001 17<sup>th</sup> Street, Suite 1200  
Denver, CO 80202

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