

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

IN THE MATTER OF AN APPLICATION BY WPX	)	
ENERGY ROCKY MOUNTAIN, LLC, FOR AN ORDER	)	CAUSE NO. 510
ESTABLISHING AN APPROXIMATE 1,295.94-ACRE	)	
EXPLORATORY DRILLING UNIT FOR SECTIONS 27	)	DOCKET NO. <i>To be assigned</i>
AND 34, TOWNSHIP 6 SOUTH, RANGE 96 WEST, 6 TH	)	
P.M., FOR PRODUCTION FROM THE MANCOS,	)	
NIOBRARA, FRONTIER, MOWRY, AND DAKOTA	)	
FORMATIONS, GRAND VALLEY FIELD, GARFIELD	)	
COUNTY, COLORADO	)	

APPLICATION

WPX Energy Rocky Mountain, LLC (“WPX” or “Applicant”), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order to establish an approximate 1,295.94-acre exploratory drilling unit for Sections 27 and 34, Township 6 South, Range 96 West, 6th P.M., for horizontal, directional and vertical well development, for the production of gas and associated hydrocarbons from the Mancos, Niobrara, Frontier, Mowry, and Dakota Formations (collectively, the “Deep Formations” for purposes of this Application). In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company 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 6 South, Range 96 West, 6th P.M.

Section 27: Lots 1 thru 15, SE¼ SW¼ (All)

Section 34: Lots 1 thru 14, NW¼ NE¼, NE¼ NW¼ (All)

Garfield County, Colorado

These lands comprise approximately 1,295.94 acres, more or less, and 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. Rule 318.a. provides that for wells drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line and not closer than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same source of supply. The Application Lands are subject to this Rule.

4. Applicant requests the Commission establish an approximate 1,295.94-acre exploratory drilling unit comprising the Application Lands for horizontal, directional and vertical well development of the proposed unit, for the production of gas and associated hydrocarbons from the Deep Formations.

5. Applicant requests it be authorized to drill and complete one (1) or more horizontal well(s) in the approximate 1,295.94-acre exploratory drilling unit proposed for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations. Applicant asserts this request is consistent with governance under the Oil and Gas Conservation Act, in that the request is necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

6. Further, in addition to the proposed horizontal well(s), Applicant requests it be authorized to drill and complete one (1) or more vertical or directional wells in the approximate 1,295.94-acre exploratory drilling unit proposed for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations, for those same reasons articulated in Paragraph 5. above.

7. Applicant requests that for well(s) permitted as result of this Application, whether horizontal, vertical or directional for the bottomhole location, or in the case of horizontal wells for the treated intervals of the wellbore, should be located not less than 600 feet from the eastern and western boundaries of the proposed exploratory drilling unit, not less than 300 feet from the northern and southern boundaries of the proposed exploratory drilling unit, and not less than 300 feet from any other well or treated interval of a well producing from the Deep Formations, without exception being granted by the Director.

8. Applicant requests that for well(s) permitted under this Application should be drilled from a new, common, or existing well pad from the surface either on the Application Lands or on adjacent lands with consent of the landowner, from no more than one (1) pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto), unless exception is granted by the Commission pursuant to an application made for such exception.

9. 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.

10. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant agrees to being bound by said oral order.

11. That the names and addresses of the interested parties (owners within the proposed drilling unit and owners of contiguous or cornering tracts who may be affected by the change to permitted minimum setbacks) 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 1,295.94-acre exploratory drilling unit for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations.

B. Authorizing the drilling and completion of one (1) or more horizontal well(s), and one (1) or more vertical or directional well(s), in the proposed approximate 1,295.94-acre exploratory drilling unit for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations, with any permitted well drilled under the Application, whether horizontal, vertical or directional for the bottomhole location, or in the case of horizontal wells for the treated intervals of the wellbore, should be located not less than 600 feet from the eastern and western boundaries of the proposed exploratory drilling unit, not less than 300 feet from the northern and southern boundaries of the proposed exploratory drilling unit, and not less than 300 feet from any other well or treated interval of a well producing from the Deep Formations, without exception being granted by the Director.

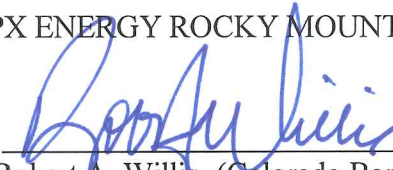
C. Requiring, except as previously authorized by order of the Commission, wells authorized under this Application should be drilled from a new, common, or existing well pad from the surface either on the Application Lands or on adjacent lands with consent of the landowner, from no more than one (1) pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto), unless exception is granted by the Commission pursuant to an application made for such exception.

D. Providing any additional relief the Commission deems appropriate under the circumstances.

DATED this 27th day of February, 2014.

Respectfully submitted,

WPX ENERGY ROCKY MOUNTAIN, LLC

By: 

Robert A. Willis (Colorado Bar No. 26308)

Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C.

216 16th Street, Suite 1100

Denver, CO 80202

(303) 407-4499

Applicant's Address:

WPX Energy Rocky Mountain, LLC

Maxwell Faith, Senior Landman

1001 17th Street, Suite 1200

Denver, CO 80202

VERIFICATION

STATE OF COLORADO

)

) SS.

CITY & COUNTY OF DENVER

)

Maxwell Faith, Senior 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.

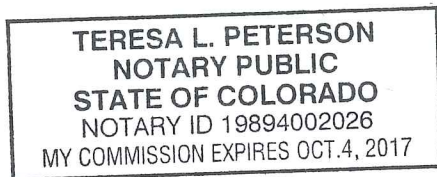
WPX ENERGY ROCKY MOUNTAIN, LLC


Maxwell Faith

Subscribed and sworn to before me this 26th day of February, 2014, by Maxwell Faith, Senior Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: 10-04-17





Notary Public

Application Lands - 

Sec. 27 & 34, T6S, R96W
Garfield County

Exhibit A
Application Map

13	18	17	16	15	14	13	18	17
24	19	20	T6S 21	T6S R96W 22	23	24	19	20
25	30	29	28	27	26	25	30	29
36	31	32	33	34	35	36	31	32
1	6	5	4	3	2	1	6	5
12	7	8	9	T7S 10	11	12	7	8
13	18	17	16	15	14	13	18	17

EXHIBIT B

INTERESTED PARTIES

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 this Exhibit B.

WPX Energy Rocky Mountain, LLC
Maxwell Faith, Senior Landman
1001 17th Street, Suite 1200
Denver, CO 80202

Robert A. Willis
Beatty & Wozniak, P.C.
216 Sixteenth St., Suite 1100
Denver, CO 80202

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

Michael Warren, Energy Liaison
Colorado Parks & Wildlife
711 Independent Avenue
Grand Junction, CO 81505

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

Garfield County
144 E. 3rd, Suite 203
Rifle, CO 80165

Yates Petroleum Corp.
105 South Fourth St.
Artesia, NM 88210

MYCO Industries, Inc.
105 South Fourth St.
Artesia, NM 88210

ABO Petroleum Corp.
105 South Fourth St.
Artesia, NM 88210

OXY Y-1 Company
PO Box 27570
Houston, TX 77227-7570

Celeste Grynberg
3600 S. Yosemite St., Suite 900
Denver, CO 80237

XTO Energy, Inc.
810 Houston St.
Ft. Worth, TX 76102

GCM, LLC
P.O. Box 3357
Englewood, CO 76102

Morse Acquisition Partners Ltd.
410 17th St., Suite 1150
Denver, CO 80202

John W. Warner
c/o Thomas Hauptman
P.O. Box 2235
Billings, MT 59103

Harold B. Holden
P.O. Box 1743
Billings, MT 59103

Don Bradshaw
448 S. 400 E.
Salt Lake City, UT 84111

D.J. Investment Co.
c/o Don Bradshaw
448 S. 400 E.
Salt Lake City, UT 84111

Morgan Marathon, LLC
3333 S. Bannock St., Suite 950
Englewood, CO 80110

Best Exploration, Inc.
743 Horizon Ct., Suite 370
Grand Junction, CO 81506

Walter S. Fees, Jr. Intervivos Trust No. 1
2516 Foresight Cir., Room 10
Grand Junction, CO 81505

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

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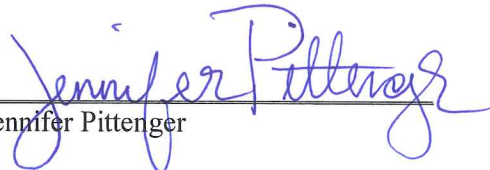
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NIOBRARA, FRONTIER, MOWRY, AND DAKOTA)
FORMATIONS, GRAND VALLEY FIELD, GARFIELD)
COUNTY, COLORADO)

AFFIDAVIT OF MAILING

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

Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant for Beatty & Wozniak P.C. the attorneys for WPX Energy Rocky Mountain, LLC, that on or before March 6, 2014, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.


Jennifer Pittenger

Subscribed and sworn to before me February 27, 2014.

Witness my hand and official seal.

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION EXPIRES OCT.4, 2017


Notary Public