

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 1,132.63-ACRE	)	
EXPLORATORY DRILLING UNIT FOR SECTIONS 28	)	DOCKET NO. 1404-SP-2054
AND 33, TOWNSHIP 6 SOUTH, RANGE 96 WEST, 6 <sup>TH</sup>	)	
P.M., FOR PRODUCTION FROM THE MANCOS,	)	
NIOBRARA, FRONTIER, MOWRY, AND DAKOTA	)	
FORMATIONS, GRAND VALLEY FIELD, GARFIELD	)	
COUNTY, COLORADO	)	

**AMENDED 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 1,132.63-acre exploratory drilling unit for Sections 28 and 33, Township 6 South, Range 96 West, 6<sup>th</sup> 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, 6<sup>th</sup> P.M.

Section 28: Lots 5 thru 13, S½ NW¼, **NE¼ SW¼**

Section 33: Lots 1 thru 12, NW¼ NW¼, SE¼ NW¼, SW¼  
NE¼, NW¼ SE¼ (All)

Garfield County, Colorado

These lands comprise approximately 1,132.63 acres, more or less, and are hereinafter referred to as the “Application Lands.” A map depicting the acreage comprising the Application Lands is found attached to the original Application 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 1,132.63-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 1,132.63-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 1,132.63-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 1,132.63-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 1,132.63-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 31<sup>st</sup> day of March, 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 &amp; COUNTY OF DENVER

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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.

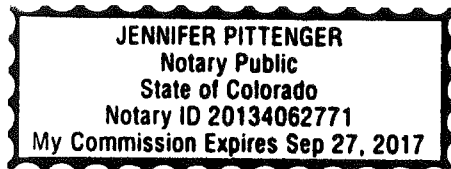
WPX ENERGY ROCKY MOUNTAIN, LLC

  
Maxwell Faith

Subscribed and sworn to before me this 31<sup>st</sup> day of March, 2014, by Maxwell Faith,  
Senior Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: 9-27-2017



Jennifer Pittenger  
Notary Public

## 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 17<sup>th</sup> Street, Suite 1200  
Denver, CO 80202

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

Mr. Kent Kuster, Oil & Gas Consultant  
Coordinator  
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. 3<sup>rd</sup>, 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

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