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 |
| MODIFYING WELL LOCATION RULES FOR THE |) | |
| APPROXIMATE 2,605.97-ACRE EXPLORATORY |) | DOCKET NO. To be assigned |
| DRILLING UNIT ESTABLISHED FOR SECTIONS 22, |) | |
| 23, 26, AND 27, TOWNSHIP 7 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 modify existing well location rules for the approximate 2,605.97-acre exploratory drilling unit for Sections 22, 23, 26, and 27, Township 7 South, Range 96 West, 6th P.M., 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 7 South, Range 96 West, 6th P.M.
Section 22: All
Section 23: All
Section 26: All
Section 27: All

Garfield County, Colorado

These lands comprise approximately 2,605.97 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 <u>Exhibit A</u>.

3. On February 16, 2012, the Commission entered Order No. 510-59 which, among other things, established an approximate 2,605.97-acre exploratory drilling unit for the Application Lands, for horizontal and vertical well development, for the production of oil, gas and associated hydrocarbons from the Deep Formations, with the 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 from the Director.

- 4. Applicant herein requests the Order No. 510-59 well location rules for the 2,605.97-acre exploratory drilling unit established for the Application Lands be modified to allow the treated interval of any permitted well to be located no closer than 300 feet from the northern and southern unit boundaries (with the 600 foot setback from the eastern and western unit boundaries maintained under this Application) and not less than 300 feet from any other well or treated interval of a well producing from the same source of supply, without exception from the Director.
- 5. Applicant continues to support the provision of Order No. 510-59 which requires to be drilled from a new, common or existing well pad, with no more than four (4) well pads per quarter section, without exception from the Director.
- 6. Applicant asserts this request is consistent with governance under the Oil and Gas Conservation Act, found at §34-60-101, et seq., C.R.S., and the Commission rules, 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.
- 7. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to being bound by said oral order.
- 8. 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. Modifying the Order No. 510-59 well location rules for the 2,605.97-acre exploratory drilling unit established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Deep Formation, to allow the treated interval of any permitted well to be located no closer than 300 feet from the northern and southern unit boundaries (with the 600 foot setback from the eastern and western unit boundaries maintained under this Application) and not less than 300 feet from any other well or treated interval of a well producing from the same source of supply, without exception from the Director.
- B. Providing for any other relief as deemed appropriate by the Commission under the circumstances.

{00333360.1}

Respectfully submitted,

WPX ENERGY ROCKY MOUNTAIN, LLC

By: Moll lu

Robert A. Willis (Colorado Bar No. 26308)

Jill Fulcher (Colorado Bar No.)

Beatty & Wozniak, P.C. 216 16th Street, Suite 1100

Denver, CO 80202 (303) 407-4499

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 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 Walsh

Subscribed and sworn to before me this 2 day of February, 2014, by Christopher Walsh, Senior Staff Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: ___

10-04-17

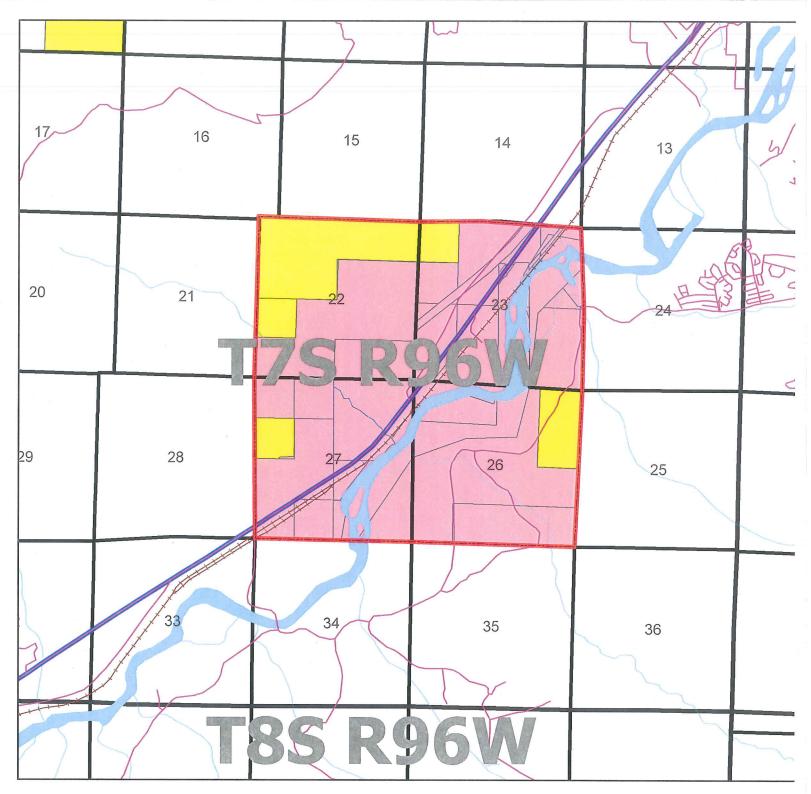
TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO

NOTARY ID 19894002026

MY COMMISSION EXPIRES OCT.4, 2017

Notary Public

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Application for New Setbacks Sections 22, 23, 26, 27, T7S R96W

Existing 2,605.97 acre Spacing Unit for the Mancos, Niobrara, Frontier, Mowry and Dakota Formations



Exhibit "A"

Cause No. - 510

Docket No. - to be assigned



EXHIBIT B

INTERESTED PARTIES

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 this Exhibit B.

WPX Energy Rocky Mountain, LLC Attn: Christopher Walsh 1001 17th Street, Suite 1200 Denver, CO 80202

Caerus Oil & Gas, LLC 600 Seventeenth Street, Suite 1600-N Denver, Colorado 80202

Yates Petroleum Corporation Attn: Kathy Porter 105 S. 4th Street Artesia, NM 88210

ABO Petroleum Corporation 105 S. 4th Street Artesia, NM 88210

MYCO Industries, Inc. 105 S. 4th Street Artesia, NM 88210

OXY Y-1 Company Attn: Kimberly Evans P. O. Box 841803 Dallas, TX 75284-1803

URSA Operating Company LLC 1050 17th Street, Suite 2400 Denver, CO 80265

Exxon Mobil Corporation Attn: Paul Keffer XTO Energy Inc. 810 Houston St Fort Worth, TX 76102 EnCana Oil & Gas (USA) Inc. Attn: Judy Tathum 370 17th Street, Suite 1700 Denver, CO 80202

Piceance Energy, LLC 1512 Larimer Street, Suite 1000 Denver, CO 80202

Apollo Energy, LLC P. O. Box 280969 Lakewood, CO 80228-0969

Steven W. Weller 11547 Riverview Drive Houston, TX 77077

Toni L. Weller 7041 Whisperfield Drive Plano, TX 75024

Malu Lani Oil & Gas Company, Inc. P. O. Box 621128 Littleton, CO 80162-1128

WYOTEX Oil Company P. O. Box 280969 Lakewood, CO 80228-0969

MAB Resources LLC 1601 Blake Street, Suite 505 Denver, CO 80202

Musgrave Family LLL Partnership 629 West North Street Aspen, CO 81611

Pamela A. Cooper fka Pamela Ann Morris 200 West Fox La Sal, UT 84530 Henry H. Gordon 633 17th Street, Suite 1645 Denver, CO 80202

Noble Energy, Inc. Attn: Mari Gillman 1625 Broadway, Suite 2200 Denver, CO 80202

Puckett Land Company Attn: Ray Anderson 5460 S. Quebec Street, Suite 250 Greenwood Village, CO 80111

James M. Larson 44 Rivers End Dr. Seaford, DE 19973

Union Pacific Railroad Company 1400 Douglas Street, Stop 1690 Omaha, NE 68179

OMB Royalties II LLC 410 17th Street, Suite 1150 Denver, CO 80202

Battlement Mesa Company P. O. Box 6000 Battlement Mesa, CO 81635

Larry A. Klebold and Karen K. Klebold P.O.Box 67 Parachute, CO 81635

Apollo/ATEC Drilling Ventures, LLC P O Box 280969 Lakewood, CO 80228-0969

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

| IN THE MATTER OF AN APPLICATION ENERGY ROCKY MOUNTAIN, LLC, ESTABLISHING AN APPROXIMATE EXPLORATORY DRILLING UNIT FO AND 28, TOWNSHIP 6 SOUTH, RANCE P.M., FOR PRODUCTION FROM THE NIOBRARA, FRONTIER, MOWRY, D. CEDAR MOUNTAIN FORMATIONS, GARFIELD COUNTY, COLORADO | FOR AN ORDER 1280-ACRE OR SECTIONS 21 GE 94 WEST, 6 TH ILES, MANCOS, AKOTA AND | CAUSE NO. 139 DOCKET NO. To be assigned |
|---|--|--|
| AFFI | DAVIT OF MAILING | |
| STATE OF COLORADO CITY AND COUNTY OF DENVER |))ss.) | |

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

That she is a Legal Assitant 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 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