



May 1, 2012

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203
Attention: Mr. Thom Kerr

RE: GM 701-4 HN1
Township 7 South, Range 96 West, 6th P.M.
Section 4: NE/4NE/4
Grand Valley Field
Garfield County, Colorado

Dear Mr. Kerr:

Enclosed please find Williams' Form 2 Application for Permit to Drill the subject well along with the necessary attachments.

WPX Energy Rocky Mountain, LLC, plans to drill a horizontal Niobrara well on federal lease COC24603. This is the same lease on which the Niobrara vertical well, GM 743-4 was drilled last year. WPX has submitted a drilling permit to the COGCC for approval of the GM 701-4 HN1 well. The proposed horizontal well will pass closer than 1200' to the existing GM 743-4 vertical Niobrara well, which would be in violation of COGCC Rule 318 (a).

WPX requests an exception location be granted. The reason for this variation is to conduct micro-seismic surveys with the two wells. The vertical well will be used as a monitoring well during the fracture stimulation of the horizontal wellbore. The micro-seismic surveys will gather data that will help establish the proper wellbore spacing for future horizontal wells in the Niobrara and Mancos. Companies that conduct micro-seismic surveys advise that the two wellbores be positioned close together to provide the best results for the survey.

Thank you and if you need further information please telephone me at (303) 606-4071.

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg Davis".

Greg Davis
WPX Energy Rocky Mountain, LLC

WAIVER OF OBJECTION TO EXCEPTION LOCATION

STATE OF COLORADO

COUNTY OF GARFIELD

Offset Mineral Owners:

Yates Petroleum Corporation
MYCO Industries, Inc.
ABO Petroleum Corporation
Attention: Kathy H. Porter, Land Manager
105 South Fourth Street
Artesia, New Mexico 88210

OXY Y-1 Company
Attention: Mr. Alan J. Schwartz – Mid-Continent Land Manager
P. O. Box 27570
Houston, TX 77227-7570

WPX Energy Rocky Mountain, LLC, the operator, ("WPX") is seeking a permit to drill the following proposed Niobrara **horizontal** well to be located in Garfield County, Colorado:

GM 701-4-HN1 (the "Well")
Township 7 South, Range 96 West, 6th P.M.
Surface Location:
Section 4: NE/4NE/4 -- 689' FNL and 896' FEL
Bottom Hole Location:
Section 10: SW/4NW/4 -- 1877' FNL and 310' FWL

WPX Energy Rocky Mountain, LLC has previously drilled the Niobrara **vertical** well with a surface location and bottom hole location described as follows:

GM 743-4 (the "Existing Well")
Township 7 South, Range 96 West, 6th P.M.
Surface Location:
Section 4: NE/4SE/4 -- 1710' FSL and 789' FEL
Bottom Hole Location:
Section 4: NE/4SE/4 -- 1432' FSL and 477' FEL

See the map attached hereto as Exhibit "A" and made a part hereof, for the location of the Well and the Existing Well.

WPX proposes that a portion of the horizontal well bore of the Well be drilled closer than 1,200 feet to the existing vertical well bore of the GM 743-4. WPX proposes this variation so that micro-seismic surveys may be conducted with the two wells. The Existing Well will be used as the monitoring well during the fracture stimulation of the horizontal well bore. The micro-seismic surveys will gather data

that will help establish the proper well bore spacing for future horizontal wells in the Niobrara and Mancos. Companies providing micro-seismic surveys advise the two well bores be positioned close together to provide the best results for the survey.

The Colorado Oil and Gas Conservation Commission Rules and Regulations, Location of Wells number 318(a) states the following:

Wells 2,500 feet or greater in depth. A well to be drilled 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 common source of supply, unless authorized by order of the Commission upon hearing.

The Colorado Oil and Gas Conservation Commission Rules and Regulations, Location of Wells number 318(c) states the following:

Exception locations. The Director may grant an operator's request for a well location exception to the requirements of this rule or any order because of geologic, environmental, topographic or archaeological conditions, irregular sections, a surface owner request, or for other good cause shown provided that a waiver or consent signed by the lease owner toward whom the well location is proposed to be moved, agreeing that said well may be located at the point at which the operator proposes to drill the well and where correlative rights are protected. If the operator of the proposed well is also the operator of the drilling unit or unspaced offset lease toward which the well is proposed to be moved, waivers shall be obtained from the mineral interest owners under such lands. If waivers cannot be obtained from all parties and no party objects to the location, the operator may apply for a variance under Rule 502.b. If a party or parties object to a location and cannot reach an agreement, the operator may apply for a Commission hearing on the exception location.

The undersigned Offset Mineral Owners hereby waives any objection to the exception location of the above described Well pursuant to Rule 318(c) and grants permission to WPX to drill and produce from the Well at the above described location.

Offset Mineral Owners:

Yates Petroleum Corporation ²⁵

By: John A. Yates, Jr.
Name: John A. Yates, Jr.
Title: Attorney-in-Fact
Date: April 13, 2012

ABO Petroleum Corporation

By: John A. Yates, Jr.
Name: John A. Yates, Jr.
Title: Attorney-in-Fact
Date: April 13, 2012

MYCO Industries, Inc.

By: Scott Yates
Name: Scott Yates
Title: President
Date: April 13, 2012

OXY Y-1 Company

By: _____
Name: _____
Title: _____
Date: _____

BUREAU OF LAND MANAGEMENT

By: Allen B. Crockett
Name: Allen B. Crockett
Title: Supervising NRS
Date: 4/26/12

STATE OF New Mexico)
COUNTY OF Eddy)

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that John A. Yates, Jr., whose name is subscribed to the foregoing instrument as Attorney-in-Fact of Yates Petroleum Corporation appeared before me this day in person and acknowledged that he executed said instrument as his free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 13th day of April, 2012.

My Commission Expires: 6-10-14
(SEAL)

Megan Headrick
Notary Public



OFFICIAL SEAL
Megan Headrick
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 6-10-14

STATE OF New Mexico
COUNTY OF Eddy

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that John A. Yettes, Jr., whose name is subscribed to the foregoing instrument as Attorney-in-Fact of Abo Petroleum Corporation appeared before me this day in person and acknowledged that he executed said instrument as his free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 13th day of April, 2012.

My Commission Expires: 6-10-14
(SEAL)

Megan Headrick
Notary Public

STATE OF New Mexico
COUNTY OF Eddy



OFFICIAL SEAL
Megan Headrick
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 6-10-14

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that Scott Yettes, whose name is subscribed to the foregoing instrument as President of Myco Industries, Inc. appeared before me this day in person and acknowledged that he executed said instrument as his free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 13th day of April, 2012.

My Commission Expires: 6-10-14
(SEAL)

Megan Headrick
Notary Public

STATE OF _____
COUNTY OF _____



OFFICIAL SEAL
Megan Headrick
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 6-10-14

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that _____, whose name is subscribed to the foregoing instrument as _____ of _____ appeared before me this day in person and acknowledged that _____ executed said instrument as _____ free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 2012.

My Commission Expires: _____
(SEAL)

Notary Public

MYCO Industries, Inc.

By: _____
Name: _____
Title: _____
Date: _____

OXY Y-1 Company

By: Alan Schwartz #177
Name: **Alan Schwartz**
Title: **Attorney-in-Fact**
Date: _____

BUREAU OF LAND MANAGEMENT

By: _____
Name: Allen B. Crockett _____
Title: _____
Date: _____

STATE OF _____)
COUNTY OF _____)

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that _____, whose name is subscribed to the foregoing instrument as _____ of _____ appeared before me this day in person and acknowledged that _____ executed said instrument as _____ free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 2012.

My Commission Expires: _____
(SEAL)

Notary Public

STATE OF _____)
COUNTY OF _____)

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that _____, whose name is subscribed to the foregoing instrument as _____ of _____ appeared before me this day in person and acknowledged that _____ executed said instrument as _____ free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 2012.

My Commission Expires: _____
(SEAL) Notary Public

STATE OF _____)
COUNTY OF _____)

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that _____, whose name is subscribed to the foregoing instrument as _____ of _____ appeared before me this day in person and acknowledged that _____ executed said instrument as _____ free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 2012.

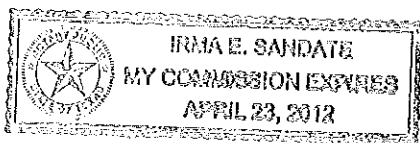
My Commission Expires: _____
(SEAL) Notary Public

STATE OF TEXAS)
COUNTY OF HARRIS)

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that Alan Schwartz, whose name is subscribed to the foregoing instrument as Attorney-in-Fact of Oxy 4-1 Company appeared before me this day in person and acknowledged that he executed said instrument as his free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 12th day of April, 2012.

My Commission Expires: 4-23-2012
(SEAL) Irma E. Sandate
Notary Public



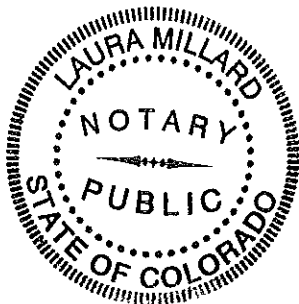
STATE OF Colorado)
COUNTY OF Garfield)

Before me, a Notary Public, in and for said County and State aforesaid, does hereby certify that Allen B. Crockett, whose name is subscribed to the foregoing instrument as Supervisory NRS of BLM/CRVFO appeared before me this day in person and acknowledged that he executed said instrument as his free and voluntary act and deed as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 26th day of April, 2012.

My Commission Expires: 4/12/2015
(SEAL)

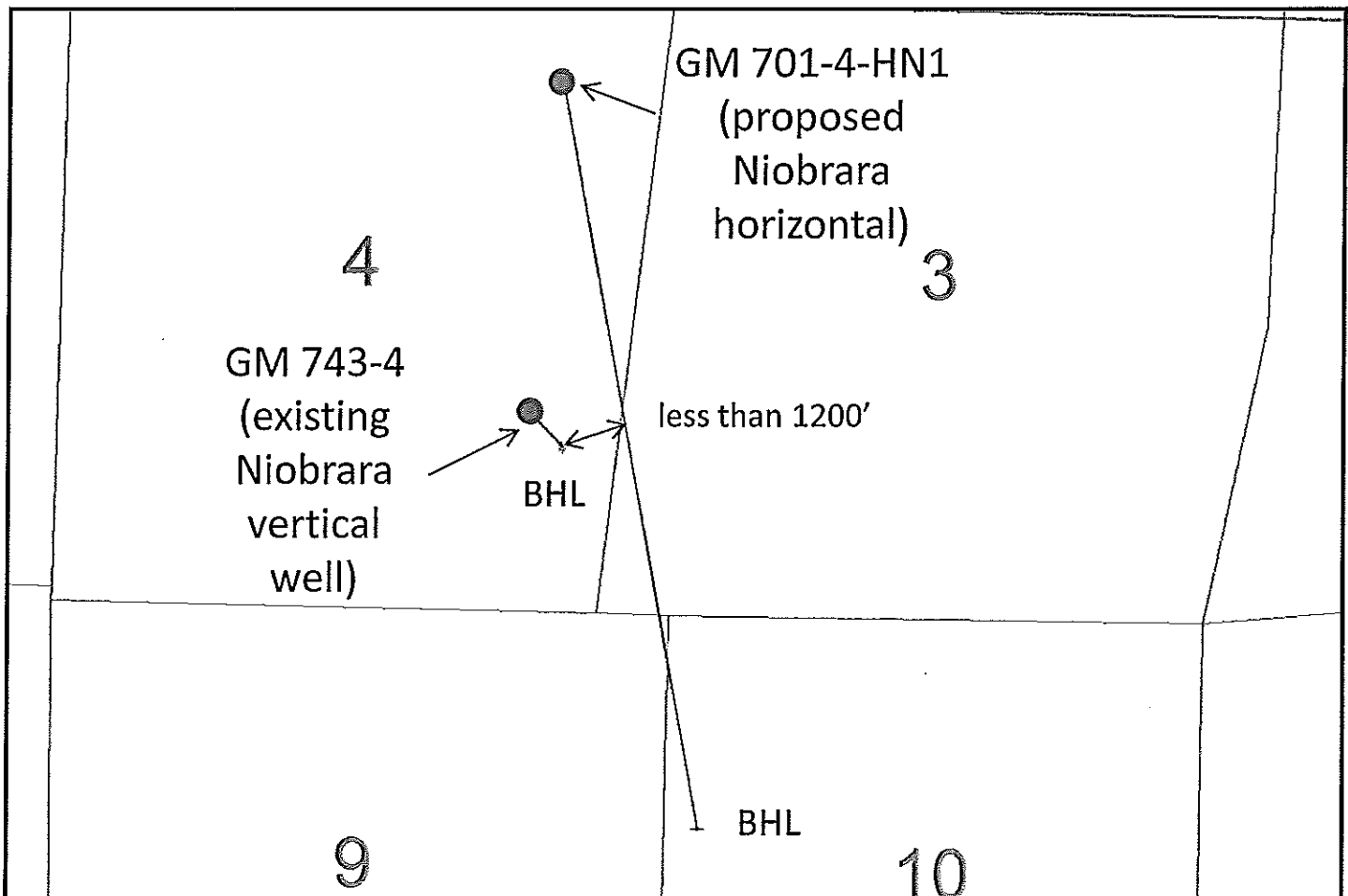
LAM
Notary Public



Laura Millard, Notary Public
State of Colorado
My Commission Expires 4/12/2015

Exhibit "A"

Attached to that Certain Waiver of Objection to Exception Location,
Dated March 30, 2012, with WPX Energy Rocky Mountain, LLC,
as Operator and Yates Petroleum Corporation, ABO Petroleum Corporation,
MYCO Industries, Inc., and OXY Y-1 Company as the offset Mineral Owners.



T7S-R96W