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

| IN THE MATTER OF THE APPLICATION OF | |
|--|--------------------|
| CONOCOPHILLIPS COMPANY FOR AN ORDER | |
| POOLING ALL INTERESTS IN A 640-ACRE | CAUSE NO. 535 |
| DRILLING AND SPACING UNIT FOR THE | |
| HORIZONTAL MURPHY FAMILY 25N-1H WELL | |
| AND ALL FUTURE HORIZONTAL WELLS | DOCKET NO. 1301-UP |
| DRILLED TO THE NIOBRARA FORMATION) | |
| UNDERLYING UNNAMED FIELD LOCATED IN) | |
| SECTION 25, TOWNSHIP 4 SOUTH, RANGE 64) | |
| WEST, ARAPAHOE COUNTY, COLORADO | |

VERIFIED APPLICATION

COMES NOW, ConocoPhillips Company ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits it's Application to the Oil and Gas Conservation Commission of the State of Colorado, for an order pooling all interests in an approximate 640-acre unit for production of oil, gas and associated hydrocarbons from horizontal wells to the Niobrara Formation in certain lands in an unnamed field in Arapahoe County, Colorado, and in support of its application states as follows:

- 1. Applicant is duly organized and authorized to conduct business in the State of Colorado.
- 2. Applicant owns leasehold interests in the following described lands in Arapahoe County, Colorado, containing approximately 640-acres (hereinafter, the "Application Lands"):

Township 4 South, Range 64 West, 6th P.M. Section 25: All

- 3. By Order 535-155 entered effective April 16, 2012, the Commission established the Application Lands as an approximately 640-acre drilling and spacing unit for horizontal wells drilled to the Niobrara Formation, for production of oil, gas and associated hydrocarbons (the "Unit"). Said Order applies only to production from horizontal wells in the Unit, with production from vertical and directional wells being paid in accordance with units established under Rule 318.a or other orders of the Commission.
- 4. Applicant proposes to drill and complete the Walker Family 25N-1H, a horizontal well to the Niobrara Formation on the Application Lands.
- 5. Applicant has been unable to obtain consent to voluntary pooling by all interest owners in the Application Lands. Applicant therefore requested that all interests in the Unit composed of the Application Lands be involuntarily pooled pursuant to C.R.S. §34-60-116 of the Colorado Oil and Gas Conservation Act.

- 6. The names and addresses of those persons who own any interest in the mineral estate in the Application Lands, exclusive of overriding royalty interests, according to the information and belief of the Applicant are set forth on **Exhibit A**. Copies of this Verified Application shall be served on all such owners within seven (7) days of the date of this Application, as required by Commission Rule 503.e.
- 7. At least thirty (30) days prior to the hearing on this Application, the Applicant will have sent all owners listed on **Exhibit A**, who have not previously consented to lease or otherwise participate in the Murphy Family 25N-1H well, an Authority for Expenditures (AFE) and/or supporting documents which contain all information required by Commission Rule 530.b., and in case of unleased mineral owners, an offer to lease which is reasonable based on the factors listed in Commission Rule 530.c.
- 8. Applicant anticipates that one or more of such owners will refuse or fail to respond to such offer to lease and/or to participate in the drilling, completion and operation of such well, and shall be deemed non-consenting parties under Commission Rule 530.b and c.
- 9. An order of the Commission pooling all interests in the Unit for production from horizontal wells to the Niobrara Formation shall therefore be necessary in order to afford each owner of an interest in the Unit the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the Unit.
- 10. The granting of the requested order would not be prejudicial to the owners in the Unit and would protect correlative rights.
- 11. The requested pooling order should be effective as of the date of this Application, or the date that costs specified by C.R.S. §34-60-116(7)(b) are first incurred by Applicant for the drilling of the Murphy Family 25N-1H well, whichever is first in time.

WHEREFORE, the Applicant respectfully requests this matter be set for hearing, notice be given as required by law, and upon such hearing this Commission enter its order pooling all interests in the Unit for production of oil, gas and associated hydrocarbons from horizontal wells to the Niobrara Formation, under such terms as are fair, reasonable and required by law.

By:

Dated: November 2, 2012

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

J. Michael Worgan #7279

950 South Cherry Street, Suite 900

Denver, CO 80246

(303) 753-9000; (303) 753-9997 (fax)

mmorgan@lohfshaiman.com

Address of Applicant: ConocoPhillips Company 600 N. Dairy Ashford Houston, TX 77079

EXHIBIT "A"

TO VERIFIED APPLICATION OF CONOCOPHILLIPS COMPANY

Applicant:

ConocoPhillips Company Attn: Tami N. Hughes 600 N. Dairy Ashford Drive

Houston, TX 77079

Applicant's Attorney:

J. Michael Morgan, Esq.

Lohf Shaiman Jacobs Hyman & Feiger PC

950 South Cherry Street, Suite 900

Denver, CO 80246

Local Government Designee:

Diane Kocis

Arapahoe County Public Works & Development

6924 South Lima Street Centennial, Colorado 80112

Other Interested Parties:

Mr. Nick Watkins Chesapeake Exploration, LLC P.O. Box 18496 Oklahoma City, OK 73154

D&J Murphy Properties, Ltd. c/o Sherrill. Crosnoe & Goff Attn: Robert W. Goff. Jr. P.O. Box 97511 Wichita Falls, TX 76307-7511

Lan England, Owner Metro Mortgage, Inc. 6905 South 1300 E., #150 Midvale, UT 84047

Robert E. Aldrich, Jr. c/o William Terry Gardner 1130 Fort Worth Club Tower 777 Taylor Street Fort Worth, TX 76102

Helen K. Barrett c/o William Terry Gardner 1130 Fort Worth Club Tower 777 Taylor Street Fort Worth, TX 76102

Travis Gregory Gardner c/o William Terry Gardner 1130 Fort Worth Club Tower

777 Taylor Street Fort Worth, TX 76102

William Terry Gardner & Anne L. Gardner Trustees of the Terry and Anne Gardner

Management Trust

c/o William Terry Gardner 1130 Fort Worth Club Tower

777 Taylor Street

Fort Worth, TX 76102

Shannon, Gracy, Ratliff & Miller, LLP c/o William Terry Gardner 1130 Fort Worth Club Tower

777 Taylor Street Fort Worth, TX 76102

Murphy Family Partnership, Ltd. c/o Dottie Murphy Morrison 4245 Kemp Blvd., Suite 712 Wichita Falls, TX 76308

Debbie K. Phillips
Trustee of the Evan Murphy Phillips Trust
c/o Dottie Murphy Morrison
4245 Kemp Blvd., Suite 712
Wichita Falls, TX 76308

Laura Phillips Hampton Trustee of the Madeline Marie Phillips Trust c/o Dottie Murphy Morrison 4245 Kemp Blvd., Suite 712 Wichita Falls, TX 76308

Laura Phillips Hampton Trustee of the J.D. Phillips Trust c/o Dottie Murphy Morrison 4245 Kemp Blvd., Suite 712 Wichita Falls, TX 76308 Jennifer Murphy Morgan c/o Dottie Murphy Morrison 4245 Kemp Blvd., Suite 712 Wichita Falls, TX 76308

Harold Vincent Murphy c/o Dottie Murphy Morrison 4245 Kemp Blvd., Suite 712 Wichita Falls, TX 76308

Laura Phillips Hampton Trustee of the Kate Rebecca Phillips Trust c/o Dottie Murphy Morrison 4245 Kemp Blvd., Suite 712 Wichita Falls, TX 76308

VERIFICATION

| STATE OF TEXAS |) |
|------------------|------|
| • |) ss |
| COUNTY OF HARRIS |) |

The undersigned, of lawful age, having been first sworn upon her oath, deposes and states that:

- 1. She is the Landman of the Applicant, ConocoPhillips Company, and that she maintains her office at 600 N. Dairy Ashford Drive, Houston, TX 77079.
- 2. She has read the within application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of her knowledge and belief.

Further Affiant sayeth not.

Tami N. Hughes

Subscribed and sworn to before me this $\frac{\partial^n d}{\partial x^n}$ day of November, 2012.

Witness my hand and official seal.

My commission expires: 1-24-2015

SUSAN C. WEAVER
Notary Public, State of Texas
My Commission Expires
January 24, 2015

Notary Public

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

| IN THE MATTER OF THE APPLICATION OF CONOCOPHILLIPS COMPANY FOR AN ORI POOLING ALL INTERESTS IN A 640-ACRE DRILLING AND SPACING UNIT FOR THE HORIZONTAL MURPHY FAMILY 25N-1H WE AND ALL FUTURE HORIZONTAL WELLS DRILLED TO THE NIOBRARA FORMATION UNDERLYING UNNAMED FIELD LOCATED SECTION 25, TOWNSHIP 4 SOUTH, RANGE WEST, ARAPAHOE COUNTY, COLORADO ARAPAHOE COUNTY, COLORADO |) CAUSE NO. 535) ELL)) DOCKET NO. 1301-UP) IN) | |
|---|--|--|
| AFFIDAVIT OF MAILING | | |
| STATE OF COLORADO) ss. | | |
| CITY & COUNTY OF DENVER) | | |
| J. Michael Morgan, of lawful age and being first duly sworn upon his oath, states and declares: | | |
| That he is the attorney for ConocoPhillips Company in the above-captioned matter. On November 2, 2012, he caused a copy of the attached Verified Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Verified Application. | | |
| · | MALL | |
| | J. Michael Morgan | |
| Subscribed and sworn to before me this 2nd day of November, 2012. | | |
| Witness my hand and official seal. My commission expires: 09-13-2013 | Tonja L. Hoisington, Notary Public | |
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