

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

IN THE MATTER OF THE APPLICATION
OF CONOCOPHILLIPS COMPANY FOR
AN ORDER TO ESTABLISH AN
EXPLORATORY 1280-ACRE DRILLING
AND SPACING UNIT AND ESTABLISHING
WELL LOCATION RULES FOR THE
NIOBRARA FORMATION IN SECTIONS 26
AND 27, TOWNSHIP 4 SOUTH, RANGE 64
WEST, 6TH P.M., AN UNNAMED FIELD,
ARAPAHOE COUNTY, COLORADO

Cause No. 535

Docket No.

APPLICATION

ConocoPhillips Company ("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 exploratory 1280-acre drilling and spacing unit and authorizing up to two (2) horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons within said 1280-acre drilling and spacing unit from the Niobrara Formation underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a Delaware corporation duly organized and authorized to conduct business in the State of Colorado.
2. Applicant owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 4 South, Range 64 West, 6th P.M.

Section 26: All

Section 27: All

1,280 acre, more or less, Arapahoe County, Colorado.

A reference map of the Application Lands is attached hereto.

3. Section 27 of the Application Lands are subject to Commission Rule 318.a which provides that, on unspaced lands, a well to be drilled in excess of two thousand five hundred (2,500) feet in depth 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 source of supply, unless authorized by order of the Commission upon hearing.

There are no other specific Commission Orders applicable to the Niobrara Formation underlying the Application Lands.

4. Section 26 of the Application Lands are subject to Order No. 535-313 which established a 640 acre exploratory drilling and spacing unit allowing up to two (2) horizontal wells within the unit. Applicant requests that Order No. 535-313 be vacated only as to Section 26 of the Application Lands.

5. The records of the Commission reflect that no wells are currently producing nor have they previously produced from the Niobrara Formation in the Application Lands. One well was drilled and abandoned to the "J" Sand Formation in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 26 of the Application Lands (API # 05-005-06474).

6. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an exploratory 1280-acre drilling and spacing unit for the Application Lands.

7. That the above-proposed drilling and spacing unit will allow efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.

8. That the Applicant is requesting to drill and complete up to two (2) horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons within the exploratory 1280-acre drilling and spacing unit comprised of the Application Lands and that there will be no adverse effect on correlative rights of adjacent owners.

9. The Applicant maintains that there will be no more than two (2) well pads in the unit, unless an exception is granted by the Director.

10. The treated interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the unit (regardless of the lease lines within the unit) and all horizontal wells shall be no closer than 960 feet from the treated interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.

11. The undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing this Commission enter its order:

A. Vacating Order No. 535-313 only as it applies to Section 26 of the Application Lands.

B. Establishing an exploratory 1280-acre drilling and spacing unit for the Application Lands and allowing up to two (2) horizontal wells in the unit in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from of the Niobrara Formation in the unit.

C. Providing that the treated interval any horizontal well shall be no closer than 460 feet from the boundaries of the unit and not less than 960 feet from the treated interval of another well within the unit and authorizing two (2) well pads in the unit, unless an exception is granted by the Director.

D. Finding that an exploratory 1280-acre drilling and spacing unit for the development of the Niobrara Formation on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara Formation on the Application Lands.

E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in July 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this 30 day of May, 2013.

Respectfully submitted:

ConocoPhillips Company

By: Jamie L. Jost
Jamie L. Jost
James P. Parrot
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:
ConocoPhillips Company
600 N. Dairy Ashford Road
Houston, TX 77079-1069

VERIFICATION

STATE OF TEXAS

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)ss.

COUNTY OF HARRIS

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Gary D. Williamson, as a Staff Landman, with ConocoPhillips Company, 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.

CONOCOPHILLIPS COMPANY

Gary D. Williamson
[NAME] Gary D. Williamson
[POSITION] Staff Landman

Subscribed and sworn to before me this 30th day of May, 2013, by Gary D. Williamson, as a Staff Landman, of ConocoPhillips Company.

Witness my hand and official seal.

My commission expires: March 28, 2017

Shawn K Horton

Notary Public



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IN SECTIONS 26 AND 27, TOWNSHIP 4
SOUTH, RANGE 64 WEST, 6TH P.M., AN
UNNAMED FIELD, ARAPAHOE COUNTY,
COLORADO

Cause No. 535

Docket No.

AFFIDAVIT OF MAILING

STATE OF COLORADO

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)ss.

COUNTY OF DENVER

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Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

7 That she is the attorney for ConocoPhillips Company, that on or before June 7, 2013, 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 A attached hereto.

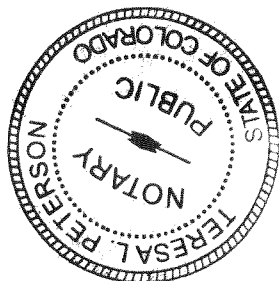


Jamie L. Jost

Subscribed and sworn to before me this 30th day of May, 2013.

Witness my hand and official seal.

My commission expires: 10-04-13



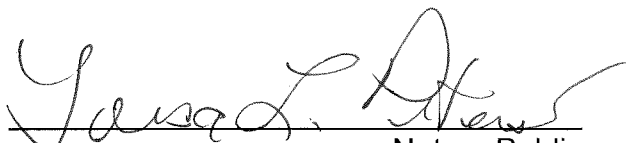

Notary Public

EXHIBIT A
INTERESTED PARTIES

Federal Home Loan Mortgage
5000 Plano Parkway
Carrollton, TX 75010

ConocoPhillips Company
600 N. Dairy Ashford Road
Houston, TX 77079-1069

Diane Kocis
Arapahoe County Public Works &
Development
6924 South Lima Street
Centennial, CO 80112

Tom Schreiner
Colorado Parks and Wildlife
6060 Broadway
Denver, CO 80526

Ken Kuster
Colorado Department of State Health
and Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530