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 23 AND 24, TOWNSHIP 4 SOUTH, RANGE 65 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 65 West, 6th P.M.

Section 23: All Section 24: All

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

A reference map of the Application Lands is attached hereto.

- 3. The Application Lands are subject to Order No. 535-97 which established 640 acre exploratory drilling and spacing units with up to two (2) horizontal wells allowed within each unit. Applicant requests that Order No. 535-97 be vacated only as to the Application Lands.
- 4. The records of the Commission reflect that no wells have been drilled, and no wells are currently producing nor have they previously produced in the Application Lands.

- 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. 535-97 only as it applies to 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.
- F. 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 September 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 day of July, 2013.

Respectfully submitted:

ConocoPhillips Company

By:

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)	
COUNTY OF HARRIS)ss.	
Sam A. Hamidi, Landman - Ro deposes and says that he has read th contained therein are true to the best of		statements
CON	OCOPHILLIPS COMPANY	

Sam A. Hamidi

Landman, Rockies Business Unit, Niobrara Land

Subscribed and sworn to before me this 18th day of July, 2013, by Sam A. Hamidi, Landman - Rockies of ConocoPhillips Company.

Witness my hand and official seal.

My commission expires: March 28, 2017

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 ORDER TO ESTABLISH AN EXPLORATORY 1280-ACRE DRILLING AND SPACING UNIT AND ESTABLISHING WELL LOCATION RULES FOR THE NIOBRARA FORMATION IN SECTIONS 23 AND 24, TOWNSHIP 4 SOUTH, RANGE 65 WEST, 6TH P.M., AN UNNAMED FIELD, ARAPAHOE COUNTY, COLORADO

Cause No. 535

Docket No.

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
COUNTY OF DENVER)

James P. Parrot of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for ConocoPhillips Company, that on or before July 25, 2013, he 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.

James P. Parrot

Subscribed and sworn to before me this _____ day of July, 2013.

Witness my hand and official seal.

My commission expires

Notary Public

Exhibit A Interested Parties

ConocoPhillips Company 600 N Dairy Ashford Houston, TX 77079

Burlington Resources Oil & Gas Company LP 600 N Dairy Ashford Houston, TX 77079

Federal Aviation Administration, Northwest Mountain Region 1601 Lind Avenue Southwest Renton, WA 98057

ConocoPhillips Company 600 N Dairy Ashford Houston, TX 77079

Burlington Resources Oil & Gas Company LP 600 N Dairy Ashford Houston, TX 77079

Chesapeake Exploration, L.L.C. 6100 Western Ave. Oklahoma City, OK 73118

OOGC America, Inc. c/o CNOOC International Limited P.O. Box 25 Chaoyangmenbei Dajie Dongcheng District Beijing P.R., China 100010 Jason Leeper P.O. Box 10 Homer City, PA 15748

U.S. Department of Transportation 1601 Lind Ave. Renton, WA 98055

South Watkins Farms, Ltd 718 Seventeenth Street, Suite 1100 Denver, CO 80202

Prosper Farms Investments, LLC 5641 N Broadway Denver, CO 80216

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

Reference Map ConocoPhillips Company

Sections 23 and 24, Township 4 South, Range 65 West, 6th P.M.

14	13	·
23	24	
26	25	1