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 |) | Cause No. |
| ESTABLISH AN APPROXIMATELY 960-ACRE |) | |
| EXPLORATORY DRILLING AND SPACING UNIT |) | Docket No. |
| AND ESTABLISHING WELL LOCATION RULES |) | |
| FOR THE NIOBRARA FORMATION IN SECTIONS |) | |
| 13 AND 14, TOWNSHIP 4 SOUTH, RANGE 65 |) | |
| WEST, 6TH P.M., AN UNNAMED FIELD, |) | |
| ARAPAHOE COUNTY, COLORADO |) | |

APPLICATION

COMES NOW ConocoPhillips Company ("Applicant"), by and through its attorneys, Jost & Shelton Energy Group, P.C., and 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 960-acre drilling and spacing unit and authorizing up one (1) horizontal well in order to efficiently and economically recover the oil, gas and associated hydrocarbons within said 960-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 13: W/2 Section 14: All

960 acres, more or less, Arapahoe County, Colorado.

A reference map of the Application Lands is attached hereto.

3. Section 14 of the Application Lands is subject to Order No. 535-97 which established a 640 acre exploratory drilling and spacing unit with up to two (2) horizontal wells allowed within the unit, and allowed for the treated interval within the Niobrara Formation to be located not closer than 460 feet from the section line. Applicant requests that Order No. 535-97 be vacated only as to Section 14 of the Application Lands.

- 4. Section 13 of the Application Lands is subject to Order No. 535-100, which allows for the lateral of a given horizontal well to enter the Niobrara Formation no closer than 300 feet from the section line; allowed for the treated interval within the Niobrara Formation to be located not closer than 460 feet from the section line; and allowed for the distance between the treated interval of Niobrara wells within the Application Lands to be not less than 920 feet; for production of oil, gas, and other hydrocarbons from the Niobrara Formation. Applicant requests that Order No. 535-100 be vacated only as to Section 13 of the Application Lands.
- 5. 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 960-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 well in the unit.
- 8. That the Applicant is requesting to drill and complete one (1) horizontal well in order to efficiently and economically recover the oil, gas and associated hydrocarbons within the exploratory 960-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 one (1) well pad in the unit, unless an exception is granted by the Director.
- 10. The treated interval of the proposed horizontal well shall be no closer than 460 feet from the boundaries of the unit (regardless of the lease lines within the unit).
- 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 Section 14 of the Application Lands.
- B. Vacating Order No. 535-100 only as it applies to Section 13 of the Application Lands.
- C. Establishing an exploratory 960-acre drilling and spacing unit for the Application Lands and allowing one (1) horizontal well 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.
- D. Providing that the treated interval any horizontal well shall be no closer than 460 feet from the boundaries of the unit and authorizing one (1) well pad in the unit, unless an exception is granted by the Director.
- E. Finding that an exploratory 960-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 December 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 October, 2013.

Respectfully submitted:

Rv.

Jamie L. Jost

James P. Parrot

ConocoPhillips Company

Jost & Shelton Energy Group, P.C.

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

VERIFICATION

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

Sam A. Hamidi, Landman - Rockies 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

Sam A. Hamidi

Landman, Rockies Business Unit, Niobrara Land

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

Subscribed and sworn to before me this 17 day of October, 2013, by Sam A. Hamidi, Landman - Rockies of ConocoPhillips Company.

Witness my hand and official seal.

Notary Public

EXHIBIT A Interested Parties List

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

Edward Keller 12475 Albrook Drive Denver, CO 80239

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

| IN THE MATTER OF THE APP CONOCOPHILLIPS COMPANY FOR ESTABLISH AN APPROXIMATE EXPLORATORY DRILLING AND S AND ESTABLISHING WELL LOC FOR THE NIOBRARA FORMATION 13 AND 14, TOWNSHIP 4 SOUT WEST, 6TH P.M., AN UNIV. ARAPAHOE COUNTY, COLORADO | AN ORDER TO) LY 960-ACRE) SPACING UNIT) ATION RULES) I IN SECTIONS) TH, RANGE 65) | Cause No. Docket No. |
|--|---|----------------------|
| AFFIDA | AVIT OF MAILING | |
| STATE OF COLORADO |) | |
| COUNTY OF DENVER |)ss.) | |
| Jamie L. Jost, of lawful age, and | d being first duly swor | n upon her oatl |

h, states and declares:

That she is the attorney for ConocoPhillips Company, that on or before October 24, 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.

Subscribed and sworn to before me this ______ day of October, 2013.

Witness my hand and official seal.

My commission expires: 07/25/20/5

Reference Map ConocoPhillips Company

W/2 Section of Section 13 and all of Section 14, Township 4 South, Range 65 West, 6th P.M.

| | 12 | , |
|----------|----|----------|
| 14 | | 18 |
| T4S-R65W | 24 | T4S-R64W |