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 1 AND 2, 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, Jost & Shelton Energy Group, 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 1: All Section 2: All

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

A reference map of the Application Lands is attached hereto.

3. Section 1 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 1 of the Application Lands.

- 4. Section 2 of the Application Lands is 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 Section 2 of the Application Lands.
- 5. The records of the Commission reflect that the Amoco-Westan-Fischahs #1 (API No. 05-005-06204) well was spud on March 17, 1971 and completed on March 29, 1971, by Amoco Production Co. to the Fox Hills, J Sand and Skull Creek formations in the SW/4SW/4 of Section 2 of the Application Lands, and is currently dry and abandoned. The records of the Commission reflect that no other 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. 535-100 only as it applies to Section 1 of the Application Lands.
- B. Vacating Order No. 535-97 only as it applies to Section 2 of the Application Lands.
- C. 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.
- D. 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.
- E. 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 January 2014, 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 27th day of November, 2013.

Respectfully submitted:

ConocoPhillips Company

By:

Jamie L. Jost James P. Parrot

Jost & Shelton Energy Group, P.C.

Attorneys for Applicant 1675 Larimer St., Suite 420 Denver, Colorado 80202

(720) 379-1812

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

<u>VERIFICATION</u>

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

Julia R. Browning, Landman - Rockies with ConocoPhillips Company, upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

CONOCOPHILLIPS COMPANY

Julia R. Browning

Landman, Rockies Business Unit, Wobrara Land

Subscribed and sworn to before me this 27th day of November, 2013, by Julia R. Browning, Landman - Rockies of ConocoPhillips Company.

Witness my hand and official seal.

My commission expires:

MATT HERRING
Notary Public, State of Texas
My Commission Expires
September 19, 2015

Notary Public

Exhibit A Interested Parties

Bryan Wayne McCoy 186 Four Wheel Drive Road Durango, Colorado 81304

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

Clifford Wayne McCoy 185 Four Wheel Drive Road Durango, Colorado 81303

Colorado Department of Transportation, Division of Highways, State of Colorado 15285 South Golden Road, bldg 47 Golden, Colorado 80401

Jason McCoy 16424 W. Dixilota Dr. Surprise, Arizona 85374

Patricia Ann Fischahs 6756 East Exposition Ave. Denver, Colorado 80224

Anadarko Land Corporation 1099 18th Street, Suite 1800 Denver, Colorado 80202

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

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

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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 December 4, 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 R. Parrot

Subscribed and sworn to before me this 27 day of November, 2013.

Witness my hand and official seal.

My commission expires:_

9/18/17

DANIELLE E CARROLL Notary Public State of Colorado Notary ID 20134059312 My Commission Expires Sep 18, 2017

Notary Public

Reference Map ConocoPhillips Company

Sections 1 and 2, Township 4 South, Range 65 West, 6th P.M.

