

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

IN THE MATTER OF AN APPLICATION BY WPX)
ENERGY ROCKY MOUNTAIN, LLC, FOR AN ORDER) CAUSE NO. 510
ESTABLISHING AN APPROXIMATE 472.65-ACRE)
EXPLORATORY DRILLING UNIT FOR CERTAIN) DOCKET NO. *To be assigned*
PORTIONS OF SECTIONS 5 AND 8, TOWNSHIP 7)
SOUTH, RANGE 96 WEST, 6TH P.M., FOR)
PRODUCTION FROM THE ILES, MANCOS,)
NIOBRARA, FRONTIER, MOWRY, DAKOTA AND)
CEDAR MOUNTAIN FORMATIONS, GRAND VALLEY)
FIELD, GARFIELD COUNTY, COLORADO)

APPLICATION

WPX Energy Rocky Mountain, LLC (“WPX” or “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 establishing an approximate 472.65-acre exploratory drilling unit for certain portions of Sections 5 and 8, Township 7 South, Range 96 West, 6th P.M. (described below) for horizontal and vertical well development, for the production of gas and associated hydrocarbons from the Iles, Mancos, Niobrara, Frontier, Mowry, Dakota, and Cedar Mountain Formations (collectively, the “Deep Formations” for purposes of this Application). In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 7 South, Range 96 West, 6th P.M.

Section 5: W $\frac{1}{2}$ SE $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ (also described as Lot 6, the NE $\frac{1}{4}$ SE $\frac{1}{4}$ for 36.44 acres, more or less, and Lot 7, the SE $\frac{1}{4}$ SE $\frac{1}{4}$ for 36.55 acres, more or less)

Section 8: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ (also described as Lot 1 for 39.66 acres, more or less,) and SE $\frac{1}{4}$.

Garfield County, Colorado

These lands comprise approximately 472.65 acres, more or less, and are hereinafter referred to as the “Application Lands.” A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

3. Rule 318.a. provides that for wells drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line and not closer than 1,200 feet from any other producible of drilling oil or gas well when drilling to the same source of supply. The Application Lands are subject to this Rule for the Deep Formations.

4. Applicant requests the Commission establish an approximate 472.65-acre exploratory drilling unit for the Application Lands for horizontal and vertical well development of the proposed unit, for the production of gas and associated hydrocarbons from the Deep Formations.

5. Applicant requests it be authorized to drill and complete one (1) or more horizontal well(s) in the approximate 472.65-acre exploratory drilling unit proposed for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations. Applicant asserts this request is consistent with governance under the Oil and Gas Conservation Act, in that the request is necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

6. Further, in addition to the proposed horizontal well(s), Applicant requests it be authorized to drill and complete one (1) or more vertical or directional wells in the approximate 472.65-acre exploratory drilling unit proposed for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations, for those same reasons articulated in Paragraph 5. above.

7. Applicant requests that for well(s) permitted as result of this Application, whether horizontal, vertical or directional for the bottomhole location, or in the case of horizontal wells for the treated intervals of the wellbore, should be located not less than 600 feet from the outer boundary of the proposed exploratory drilling unit and not less than 300 feet from any other well or treated interval of a well producing from the Deep Formations, without exception being granted by the Director.

8. Applicant requests that for well(s) permitted under this Application should be drilled from a new, common, or existing well pad from the surface either on the Application Lands or on adjacent lands with consent of the landowner, from no more than one (1) pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto), unless exception is granted by the Commission pursuant to an application made for such exception.

9. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

10. That the names and addresses of the interested parties (owners within the proposed drilling unit) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

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

A. Establishing an approximate 472.65-acre exploratory drilling unit for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations.

B. Authorizing the drilling and completion of one (1) or more horizontal well(s), and one (1) or more vertical or directional well(s), in the proposed approximate 472.65-acre exploratory drilling unit for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations, with any permitted well drilled under the Application, whether horizontal, vertical or directional for the bottomhole location, or in the case of horizontal wells for the treated intervals of the wellbore, should be located not less than 600 feet from the outer boundary of the proposed exploratory drilling unit and not less than 300 feet from any other well or treated interval of a well producing from the Deep Formations, without exception being granted by the Director.

C. Requiring, except as previously authorized by order of the Commission, wells authorized under this Application should be drilled from a new, common, or existing well pad from the surface either on the Application Lands or on adjacent lands with consent of the landowner, from no more than one (1) pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto), unless exception is granted by the Commission pursuant to an application made for such exception

D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 16 day of January, 2014.

Respectfully submitted,

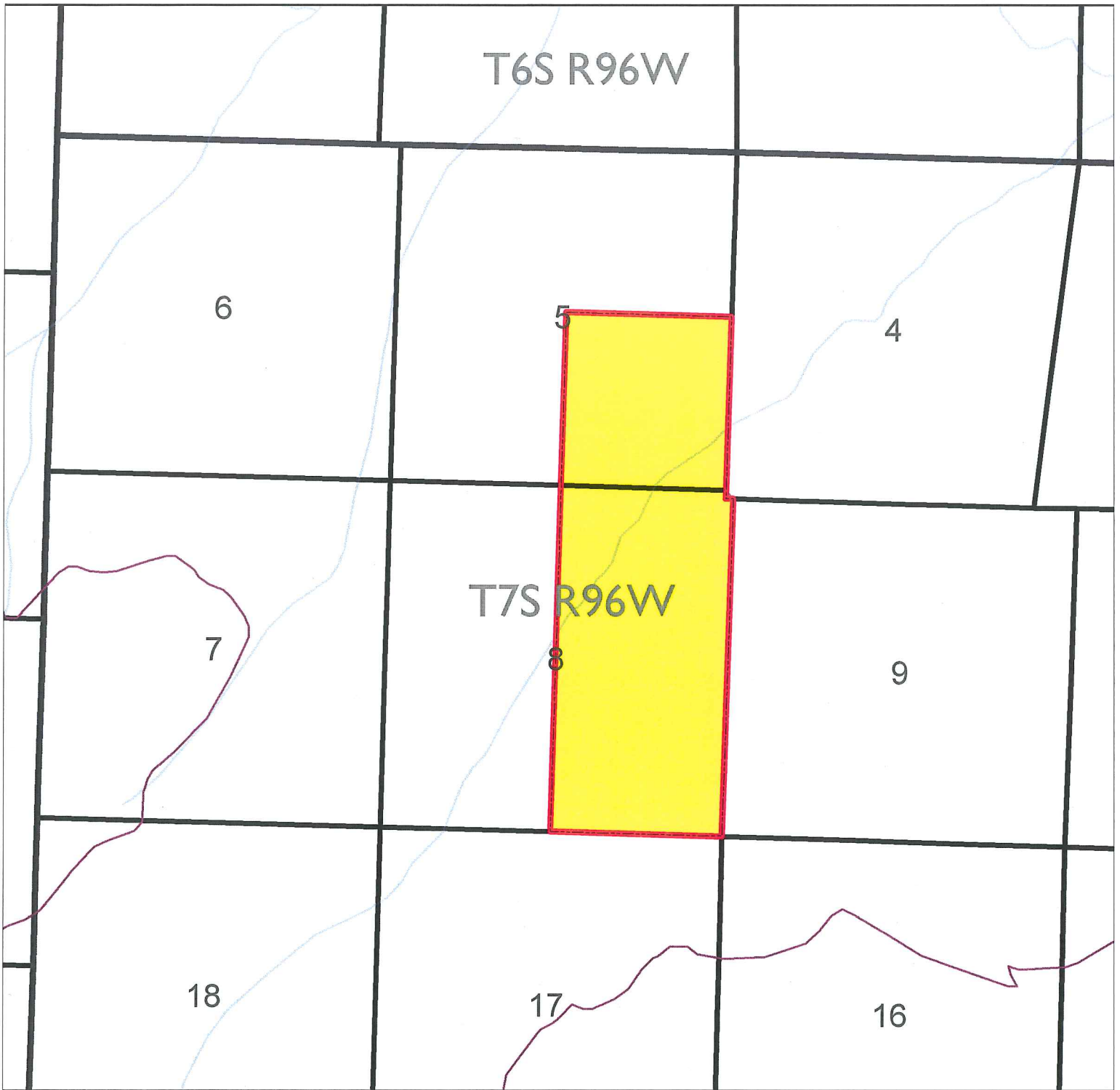
WPX ENERGY ROCKY MOUNTAIN, LLC

By: 

Robert A. Willis (Colorado Bar No. 26308)
Beatty & Wozniak, P.C.
216 16th Street, Suite 1100
Denver, CO 80202
(303) 407-4499

Applicant's Address:

WPX Energy Rocky Mountain, LLC
Christopher M. Walsh, Senior Staff Landman
1001 17th Street, Suite 1200
Denver, CO 80202



Application for Spacing Portions of Sections 5, 8 in T7S R96W

Proposed 472.65 acre Spacing Unit

for the Iles, Mancos, Niobrara, Frontier, Mowry, Dakota and Cedar Mountain Formations

Proposed Deep Spacing Unit
 Federal Lands

Exhibit "A"
 Cause No. - 510
 Docket No. - *to be assigned*



EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within the Application Lands) according to the information and belief of the Applicant are set forth in this Exhibit B.

WPX Energy Rocky Mountain, LLC
Christopher M. Walsh, Senior Staff Landman
1001 17th Street, Suite 1200
Denver, CO 80202

Robert A. Willis
Beatty & Wozniak, P.C.
216 16th Street, Suite 1100
Denver, CO 80202

Mr. Kent Kuster, Energy Liaison
Colorado Department of Public Health &
Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Kim Kaal
Energy Liaison
Colorado Division of Wildlife
711 Independent Ave.
Grand Junction, CO 81505

Bureau of Land Management
Attention: Mr. Bob Hartman
2300 River Frontage Road
Silt, CO 81652

Bureau of Land Management
Attention: Mr. Steve Ficklin
2300 River Frontage Road
Silt, CO 81652

Bureau of Land Management
Colorado State Office
Attn: Ms. Sherri Thompson
2850 Youngfield St.
Lakewood, CO 80215

Kirby H. Wynn
Garfield County
0375 County Road 352, Bldg 2060
Rifle, CO 81650-8412

Garfield County
144 E. 3rd, Suite 203
Rifle, CO 81650

Yates Petroleum Corporation
Attention: Ms. Kathy Porter
105 S. 4th Street
Artesia, NM 88210

ABO Petroleum Corporation
Attention: Ms. Kathy Porter
105 S. 4th Street
Artesia, NM 88210

MYCO Industries, Inc.
105 S. 4th Street
Artesia, NM 88210

OXY Y-1 Company
Attention: Mr. Ryan D. Fitzpatrick
5 Greenwood Plaza, Ste 110
Houston, TX 77047-0521

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FIELD, GARFIELD COUNTY, COLORADO)

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

Robert A. Willis, of lawful age, and being first duly sworn upon his oath, states and declares:

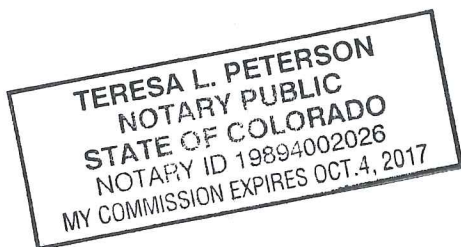
That he is an attorney for Bill Barrett Corporation, that on or before January 23, 2014, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.




Robert A. Willis

Subscribed and sworn to before me January 16, 2014.

Witness my hand and official seal.





Notary Public