

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. 527
ALLOWING EXCEPTION LOCATIONS FOR TWO WELLS	)	
TO BE DRILLED AND COMPLETED TO THE WILLIAMS	)	DOCKET NO. <i>To be assigned</i>
FORK AND ILES FORMATIONS UNDERLYING THE SE¼	)	
SE¼ AND SW¼ SE¼ OF SECTION 25, TOWNSHIP 1	)	
SOUTH, RANGE 98 WEST, 6 <sup>TH</sup> P.M., SULPHUR CREEK	)	
FIELD, RIO BLANCO 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 allowing exception locations for two wells to be drilled and completed in the SE¼ SE¼ and SW¼ SE¼ of Section 25, Township 1 South, Range 98 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations. 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 (“Application Lands”):

Township 1 South, Range 98 West, 6<sup>th</sup> P.M.  
Section 25: SE¼ SE¼ and SW¼ SE¼

Rio Blanco County, Colorado

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 or drilling oil or gas well when drilling to the same source of supply. The SE¼ SE¼ and SW¼ SE¼ of Section 25, Township 1 South, Range 98 West, 6<sup>th</sup> P.M., and NE¼ NE¼ of Section 36, Township 1 South, Range 98 West, 6<sup>th</sup> P.M., are subject to this Rule.

4. Rule 318.c. allows the Director to grant a well location exception provided a waiver or consent signed by the lease owner whom the well location is proposed to be moved, agreeing that said well may be located at the point at which the operator proposes to drill the well and where correlative rights are protected. However, if the operator of the proposed well is also the operator of the unspaced offset lease toward which the well is proposed to be moved, waivers are to be obtained from the mineral interest owner(s) under such lands. WPX has been unable to secure a waiver from the underlying mineral interest owner.

5. On January 11, 2010, the Commission entered Order No. 527-6 which, among other things, approved the equivalent of one well per 10 acres well density for certain lands, including Lots 1, 8 and 9 (including the NE¼ NE¼) of Section 36, Township 1 South,

Range 98 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations (including the Sego member of the Iles Formation).

6. Applicant plans to drill and complete the below-described wells with bottomhole locations located within the Ryan Gulch Federal Unit (COC-68239X):

**Federal RGU 544-25-198 Well** (hereinafter referred to as “Well #1”)

SHL: NW¼ SE¼ of Section 25, Township 1 South, Range 98 West, 6<sup>th</sup> P.M.

BHL: 359 feet FSL, 670 feet FEL, SE¼ SE¼ of said Section 25

**Federal RGU 534-25-198 Well** (“Well #2”)

SHL: NW¼ SE¼ of said Section 25

BHL: 312 feet FSL, 1,565 feet FEL, SW¼ SE¼ of said Section 25

Note: Plats reflecting the locations of the wells are attached as Exhibit A. SHL refers to “surface hole location” and BHL refers to “bottomhole location”.

7. Applicant requests an exception from Rule 318.a., in that it seeks to drill, complete and produce Well #1 from a bottomhole location 359 feet from the adjacent lease, and Well #2 from a bottomhole location 425 feet from the adjacent lease. Record title for the adjacent lease to the south in Section 36, Township 1 South, Range 98 West, 6<sup>th</sup> P.M., is held 100% by WPX (Federal Oil and Gas Lease COC-73648).

8. In order to prevent waste and protect correlative rights of all owners affected by the proposed bottomhole locations for Well #1 and Well #2, it is reasonable and equitable to authorize the drilling, completion and production of the wells as described.

9. 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.

10. 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.

11. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant agrees to be bound by said oral order.

12. That the names and addresses of the interested parties (owners of any contiguous or cornering tract toward which the well location is proposed to be moved and, in this case, the person who owns the mineral estate underlying the tract covered by such lease) according to the information and belief of the Applicant entitled to notice of this Application 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. Approving the proposed exception locations for the herein-described bottomhole locations for Well #1 and Well #2, and authorizing said wells to be drilled, completed and produced from said proposed bottomhole locations, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.


B. Requiring, except as previously authorized by order of the Commission, wells authorized under this Application to 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.

C. Providing any other relief deemed appropriate by the Commission under this Application.

DATED this 27<sup>th</sup> day of February, 2014.

Respectfully submitted,

WPX ENERGY ROCKY MOUNTAIN, LLC

By: 

Robert A. Willis (Colorado Bar No. 26308)

Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C.

216 16th Street, Suite 1100

Denver, CO 80202

(303) 407-4499

Applicant's Address:

WPX Energy Rocky Mountain, LLC

Maxwell Faith, Senior Landman

1001 17th Street, Suite 1200

Denver, CO 80202

## VERIFICATION

STATE OF COLORADO

)

) SS.

CITY &amp; COUNTY OF DENVER

)

Maxwell Faith, Senior Landman for WPX Energy Rocky Mountain, LLC, 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.

WPX ENERGY ROCKY MOUNTAIN, LLC

Mr. L.

Maxwell Faith

Subscribed and sworn to before me this 26<sup>th</sup> day of February, 2014, by Maxwell Faith, Senior Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: 10-04-17

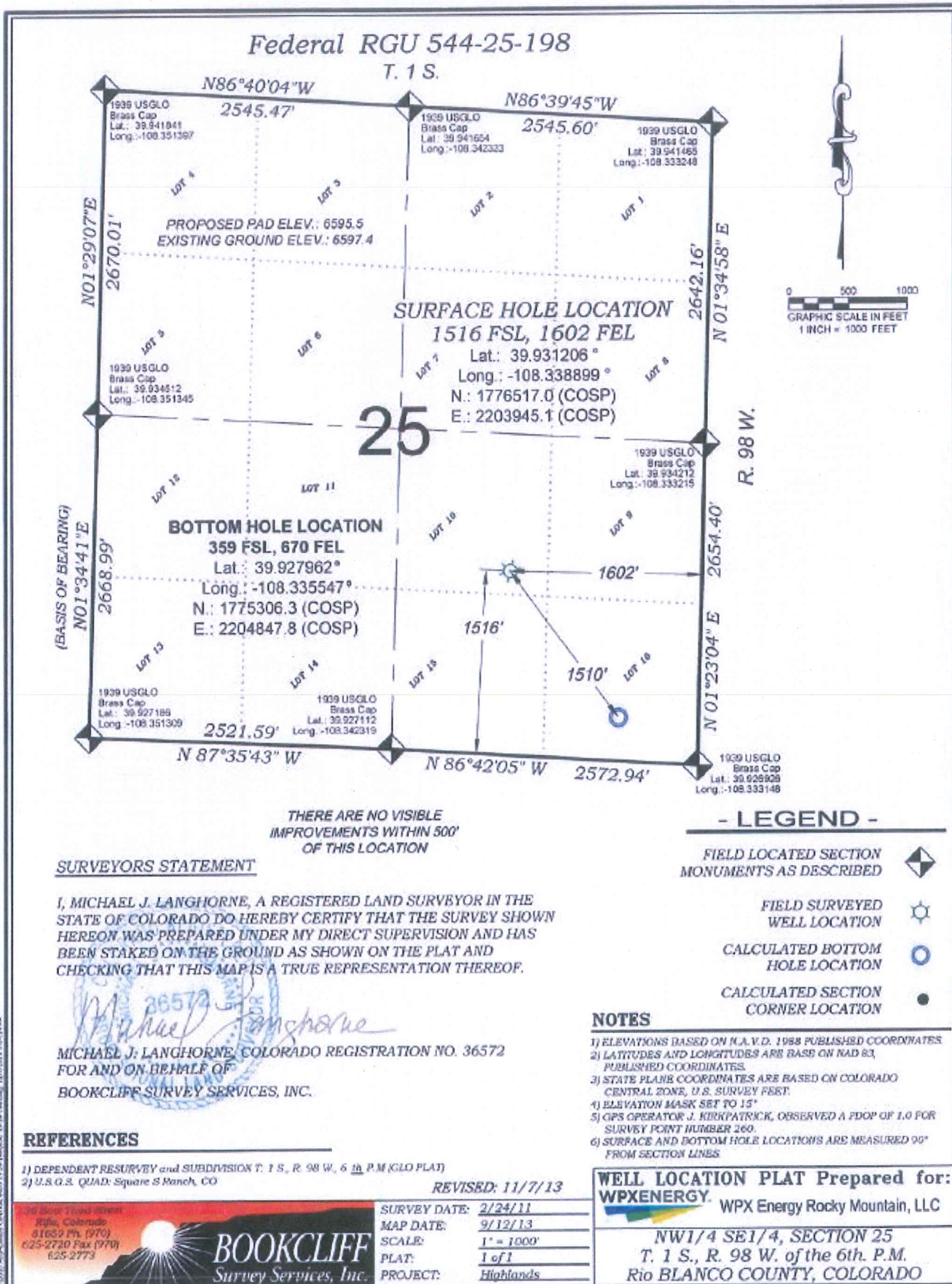
**TERESA L. PETERSON**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
NOTARY ID 19894002026  
MY COMMISSION EXPIRES OCT.4, 2017

Luisa L. Petersen

Notary Public



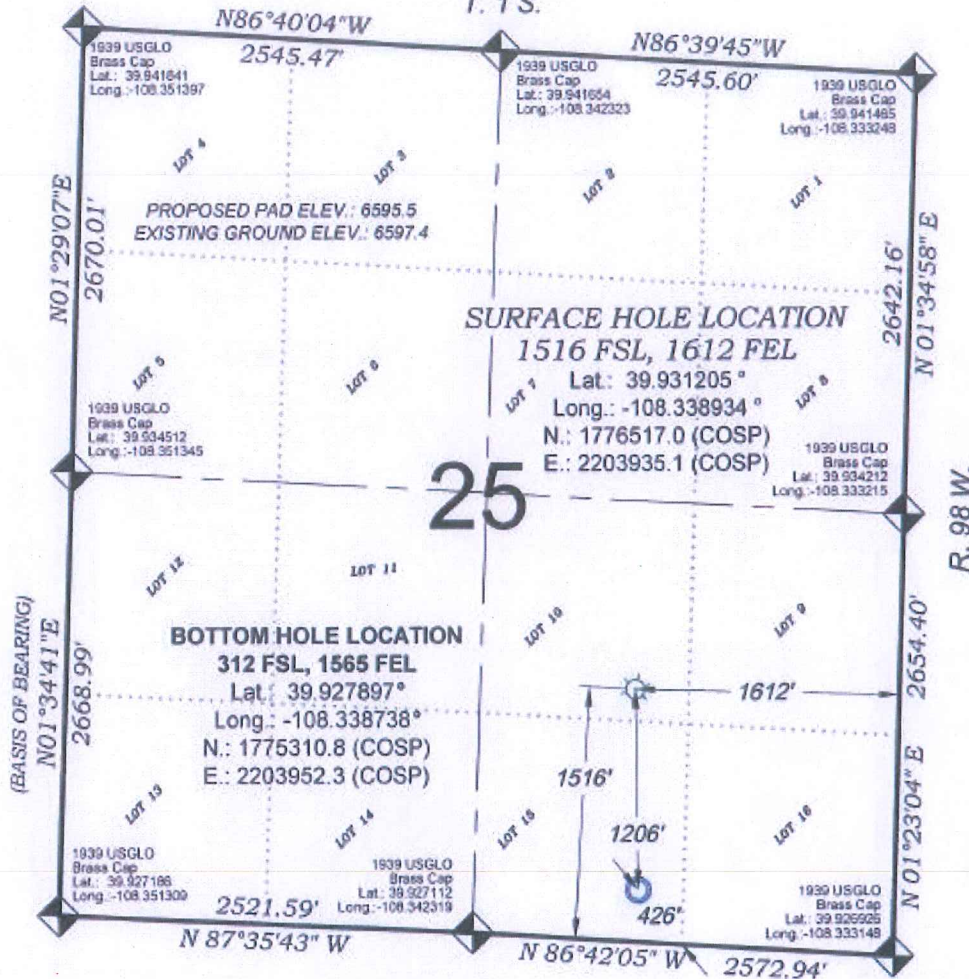
# Exhibit A





# Federal RGU 534-25-198

T. 1 S.



25

## SURFACE HOLE LOCATION

1516 FSL, 1612 FEL

Lat: 39.931205°

Long: -108.338934°

N.: 1776517.0 (COSP)

E.: 2203935.1 (COSP)

## BOTTOM HOLE LOCATION

312 FSL, 1565 FEL

Lat: 39.927897°

Long: -108.338738°

N.: 1775310.8 (COSP)

E.: 2203952.3 (COSP)

THERE ARE NO VISIBLE  
IMPROVEMENTS WITHIN 500'  
OF THIS LOCATION

## SURVEYORS STATEMENT

I, MICHAEL J. LANGHORNE, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY THAT THE SURVEY SHOWN HEREON WAS PREPARED UNDER MY DIRECT SUPERVISION AND HAS BEEN STAKED ON THE GROUND AS SHOWN ON THE PLAT AND CHECKING THAT THIS MAP IS A TRUE REPRESENTATION THEREOF.

*Michael J. Langhorne*

MICHAEL J. LANGHORNE, COLORADO REGISTRATION NO. 36572  
FOR AND ON BEHALF OF  
BOOKCLIFF SURVEY SERVICES, INC.

## REFERENCES

- 1) DEPENDENT RESURVEY and SUBDIVISION T. 1 S., R. 98 W., 6 th P.M. (GLO PLAT)
- 2) U.S.G.S. QUAD: Square S Ranch, CO

REVISED: 2/14/14

SURVEY DATE: 2/24/11  
MAP DATE: 9/12/13  
SCALE: 1" = 1000'  
PLAT: 1 of 1  
PROJECT: Highlands

130 West Third Street  
Rifle, Colorado  
81650 Ph. (970)  
625-2720 Fax (970)  
625-2773

**BOOKCLIFF**  
Survey Services, Inc.

## - LEGEND -

FIELD LOCATED SECTION  
MONUMENTS AS DESCRIBED



FIELD SURVEYED  
WELL LOCATION



CALCULATED BOTTOM  
HOLE LOCATION



CALCULATED SECTION  
CORNER LOCATION



## NOTES

- 1) ELEVATIONS BASED ON N.A.V.D. 1988 PUBLISHED COORDINATES.
- 2) LATITUDES AND LONGITUDES ARE BASED ON NAD 83, PUBLISHED COORDINATES.
- 3) STATE PLANE COORDINATES ARE BASED ON COLORADO CENTRAL ZONE, U.S. SURVEY FEET.
- 4) ELEVATION MASK SET TO 15"
- 5) GPS OPERATOR J. KIRKPATRICK, OBSERVED A PDOP OF 1.0 FOR SURVEY POINT NUMBER 260.
- 6) SURFACE AND BOTTOM HOLE LOCATIONS ARE MEASURED 90° FROM SECTION LINES.

WELL LOCATION PLAT Prepared for:  
**WPXENERGY**  
WPX Energy Rocky Mountain, LLC

NW1/4 SE1/4, SECTION 25  
T. 1 S., R. 98 W. of the 6th P.M.  
Rio BLANCO COUNTY, COLORADO

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EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners of any contiguous or cornering tract toward which the well location is proposed to be moved and, in this case, the person who owns the mineral estate underlying the tract covered by such lease) according to the information and belief of the Applicant are set forth in this Exhibit B.

WPX Energy Rocky Mountain, LLC  
Maxwell Faith, Senior Landman  
1001 17<sup>th</sup> Street, Suite 1200  
Denver, CO 80202

Robert A. Willis  
Beatty & Wozniak, P.C.  
216 Sixteenth St., Suite 1100  
Denver, CO 80202

BLM Colorado State Office  
2850 Youngfield Street  
Lakewood, CO 80215-7093

BLM White River Field Office  
220 East Market Street  
Meeker, CO 81641

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WILLIAMS FORK AND ILES FORMATIONS )  
UNDERLYING THE SE¼ SE¼ AND SW¼ SE¼ OF )  
SECTION 25, TOWNSHIP 1 SOUTH, RANGE 98 WEST, )  
6<sup>TH</sup> P.M., SULPHUR CREEK FIELD, RIO BLANCO )  
COUNTY, COLORADO )

AFFIDAVIT OF MAILING

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

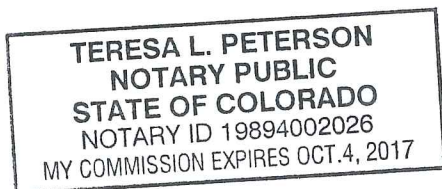
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant for Beatty & Wozniak P.C. the attorneys for WPX Energy Rocky Mountain, LLC, that on or before March 6<sup>th</sup>, 2014, 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 B to the Application.

  
Jennifer Pittenger

Subscribed and sworn to before me February 27, 2014.

Witness my hand and official seal.



  
Notary Public