

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. 139
ESTABLISHING AN APPROXIMATE 1,280-ACRE)	
EXPLORATORY DRILLING UNIT FOR SECTIONS 21)	DOCKET NO. <i>To be assigned</i>
AND 28, TOWNSHIP 6 SOUTH, RANGE 94 WEST, 6 TH)	
P.M., FOR PRODUCTION FROM THE MANCOS)	
(INCLUDING THE SEGO SANDSTONE), NIOBRARA,)	
FRONTIER, MOWRY, AND DAKOTA FORMATIONS,)	
RULISON 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 to establish an approximate 1,280-acre exploratory drilling unit for Sections 21 and 28, Township 6 South, Range 94 West, 6th P.M., for horizontal, directional and vertical well development, for the production of gas and associated hydrocarbons from the Mancos (including the Sego Sandstone), Niobrara, Frontier, Mowry, and Dakota 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 6 South, Range 94 West, 6th P.M.

Section 21: All

Section 28: All

Garfield County, Colorado

These lands comprise approximately 1,280 acres, more or less, and are hereinafter referred to as the “Application Lands.” Maps depicting the acreage comprising the Application Lands are attached hereto and marked as Exhibits A and B.

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 Application Lands are subject to this Rule.

4. Applicant requests the Commission establish an approximate 1,280-acre exploratory drilling unit comprising the Application Lands for horizontal, directional 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 1,280-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 1,280-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 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 300 feet from the northern and southern boundaries of the proposed exploratory drilling unit, not less than 600 feet from the eastern and western boundaries 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. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant agrees to being bound by said oral order.

11. That the names and addresses of the interested parties (owners within the proposed drilling unit and owners of contiguous or cornering tracts who may be affected by the change to permitted minimum setbacks) according to the information and belief of the Applicant are set forth in Exhibit C 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 1,280-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 1,280-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 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 300 feet from the northern and southern boundaries of the proposed exploratory drilling unit, not less than 600 feet from the eastern and western boundaries 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.

DATED this 31st day of March, 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

Barbara Siegrist, Senior Landman

1001 17th Street, Suite 1200

Denver, CO 80202

VERIFICATION

STATE OF COLORADO

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) SS.

CITY & COUNTY OF DENVER

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Barbara Siegrist, Senior Landman for WPX Energy Rocky Mountain, LLC, 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.

WPX ENERGY ROCKY MOUNTAIN, LLC

Barbara Siegrist

Barbara Siegrist

Subscribed and sworn to before me this 27th day of March, 2014, by Barbara Siegrist,
Senior Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: 10-22-14

Susan A. Bellia

Susan A Bethea, Notary Public



Application Purpose:
Establish Drilling and Spacing Unit
For Mancos, Niobrara, Frontier,
Mowry & Dakota Formations

Exhibits

Cause No. 139

Docket No. to be assigned



Application Lands located in Garfield County, Colorado

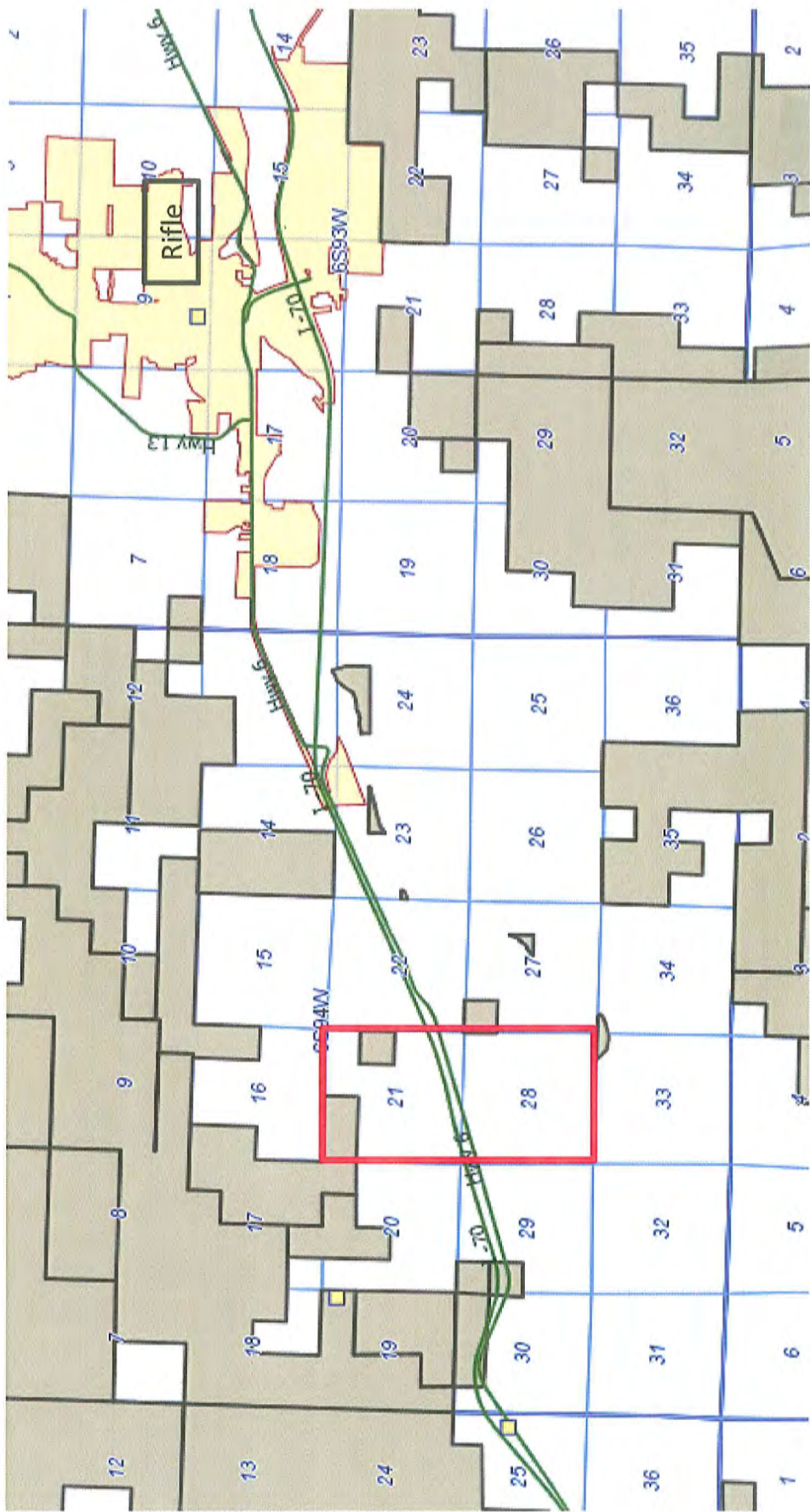


Exhibit A

Application for Spacing

Proposed 1,280 acre Spacing Unit - All Sections 21 and 28 in Township 6 South, Range 94 West
for the Mancos, Niobrara, Frontier, Mowry and Dakota Formations

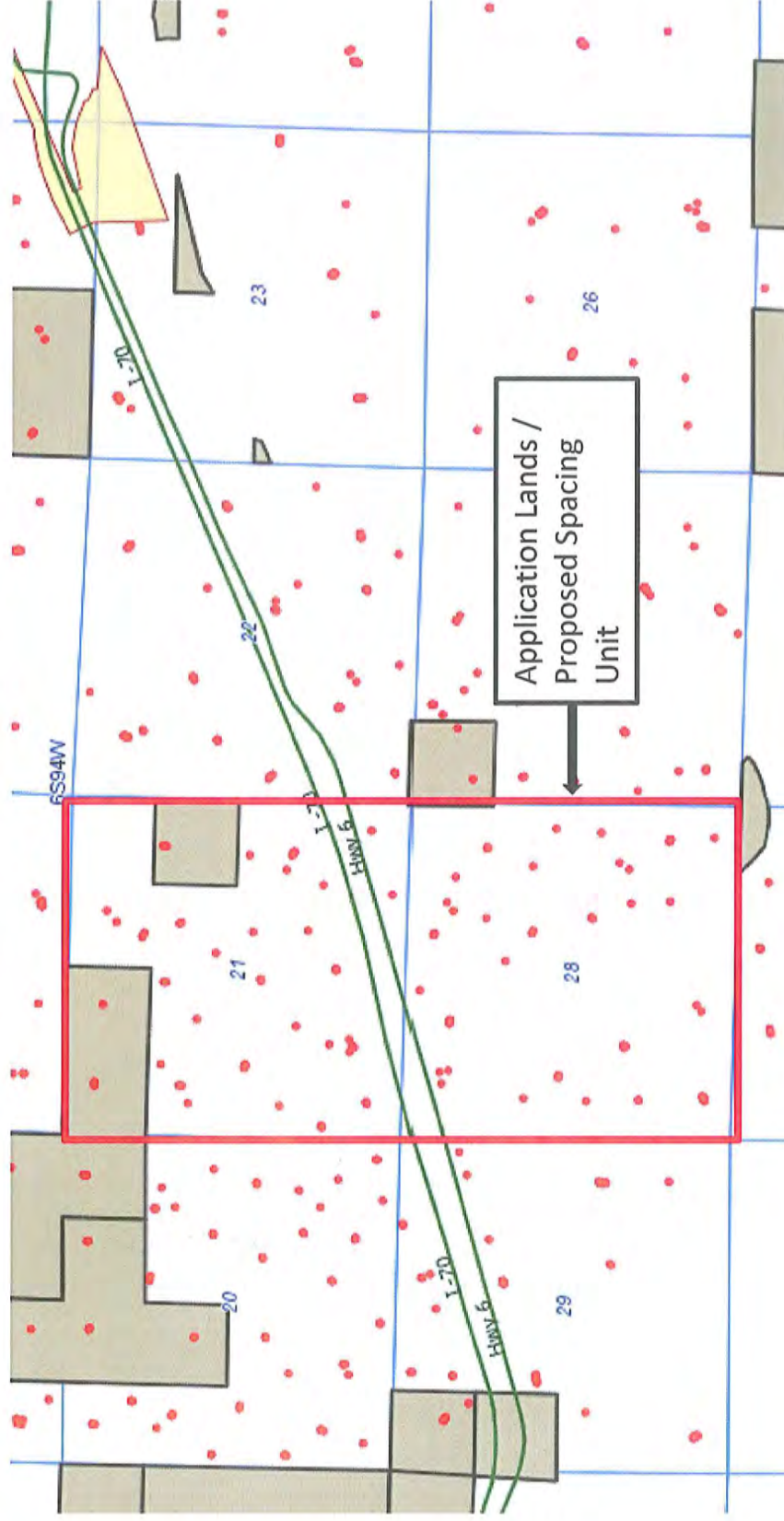


Exhibit B

EXHIBIT C

INTERESTED PARTIES

The names and addresses of the interested parties (to include owners within the proposed drilling unit, and owners of contiguous or cornering tracts who may be affected by the change to permitted minimum setbacks) according to the information and belief of the Applicant are set forth in this Exhibit C.

WPX Energy Rocky Mountain, LLC
Barbara Siegrist, Senior Landman
1001 17th Street, Suite 1200
Denver, CO 80202

Beatty & Wozniak, P.C.
216 Sixteenth Street, Suite 1100
Denver, CO 80202

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

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

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

OXY Y-1 Company
Attn: Ms. Kimberly Evans
5 Greenwood Plaza, Suite 110
Houston, TX 77047-0521

XTO Energy, Inc.
Attn: Mr. Paul Keffer
810 Houston Street
Fort Worth, TX 76102-6298

Mrs. Celeste Grynberg
3600 South Yosemite St., Ste. 900
Denver, CO 80237

American Cometra Inc.
1460 Main Street, Suite 245
Southlake, TX 76092

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

Mr. Kent Kuster,
Oil & Gas Consultant Coordinator
Colorado Department of Public
Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Michael Warren, Energy Liaison
Colorado Parks & Wildlife
711 Independent Avenue
Grand Junction, CO 81505

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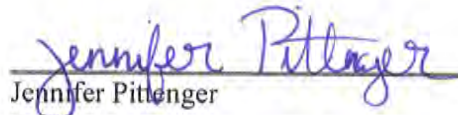
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FRONTIER, MOWRY, AND DAKOTA FORMATIONS,)
RULISON FIELD, GARFIELD COUNTY, COLORADO)

AFFIDAVIT OF MAILING

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

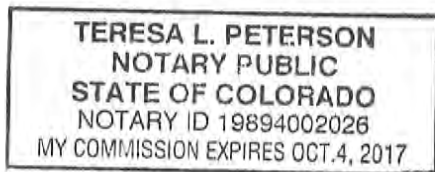
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant for Beatty & Wozniak P.C. the attorneys for WPX Energy Rocky Mountain, LLC, that on or before April 9, 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 C to the Application.


Jennifer Pittenger

Subscribed and sworn to before me April 2, 2014.

Witness my hand and official seal.




Teresa L. Peterson
Notary Public