

**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 APPROXIMATE
640-ACRE EXPLORATORY DRILLING AND
SPACING UNIT WITH WELL LOCATION
RULES FOR THE NIOBRARA FORMATION IN
SECTION 5, TOWNSHIP 5 SOUTH, RANGE
64 WEST, 6TH P.M., AN UNNAMED FIELD,
ARAPAHOE COUNTY, COLORADO

Cause No.

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 approximate 640-acre exploratory drilling and spacing unit and authorize up to six (6) vertical and/or horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons within said 640-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 5 South, Range 64 West, 6th P.M.
Section 5: All

Arapahoe County, Colorado.

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. Section 5, Township 5 South, Range 64 West, 6th P.M. is subject to Rule 318.a. for the Niobrara Formation. There are no specific Commission Orders applicable to the Niobrara Formation underlying the section.

4. The records of the Commission reflect that no wells have been drilled, are currently producing or previously produced in the Application Lands.

5. 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 approximate 640-acre exploratory drilling and spacing unit for Section 5, Township 5 South, Range 64 West, 6th P.M.

6. 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.

7. That the Applicant is requesting to drill and complete up to six (6) vertical and/or horizontal wells within the unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons within the exploratory approximate 640-acre exploratory drilling and spacing unit composed of Section 5, Township 5 South, Range 64 West, 6th P.M., and that there will be no adverse effect on correlative rights of adjacent owners.

8. The Applicant maintains that there will be no more than one (1) well pad per quarter-quarter in the unit, unless an exception is granted by the Director.

9. 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 150 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.

10. 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. Establishing an approximate 640-acre exploratory drilling and spacing unit for Section 5, Township 5 South, Range 64 West, 6th P.M. and allowing up to six (6) vertical and/or 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.

B. 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 150 feet from the treated interval of another well within the unit, and authorizing one (1) well pad per quarter-quarter in the unit, unless an exception is granted by the Director.

C. Finding that an approximate 640-acre exploratory 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 in Section 5, Township 5 South, Range 64 West, 6th P.M.

D. 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 September 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 17th day of July, 2014.

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

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

Jace McKenzie, 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



Jace McKenzie
Landman, Rockies Business Unit, Niobrara Land

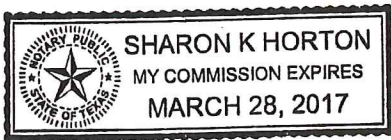
Subscribed and sworn to before me this 17th day of July, 2014, by Jace McKenzie, Landman - Rockies of ConocoPhillips Company.

Witness my hand and official seal.

My commission expires: March 28, 2017

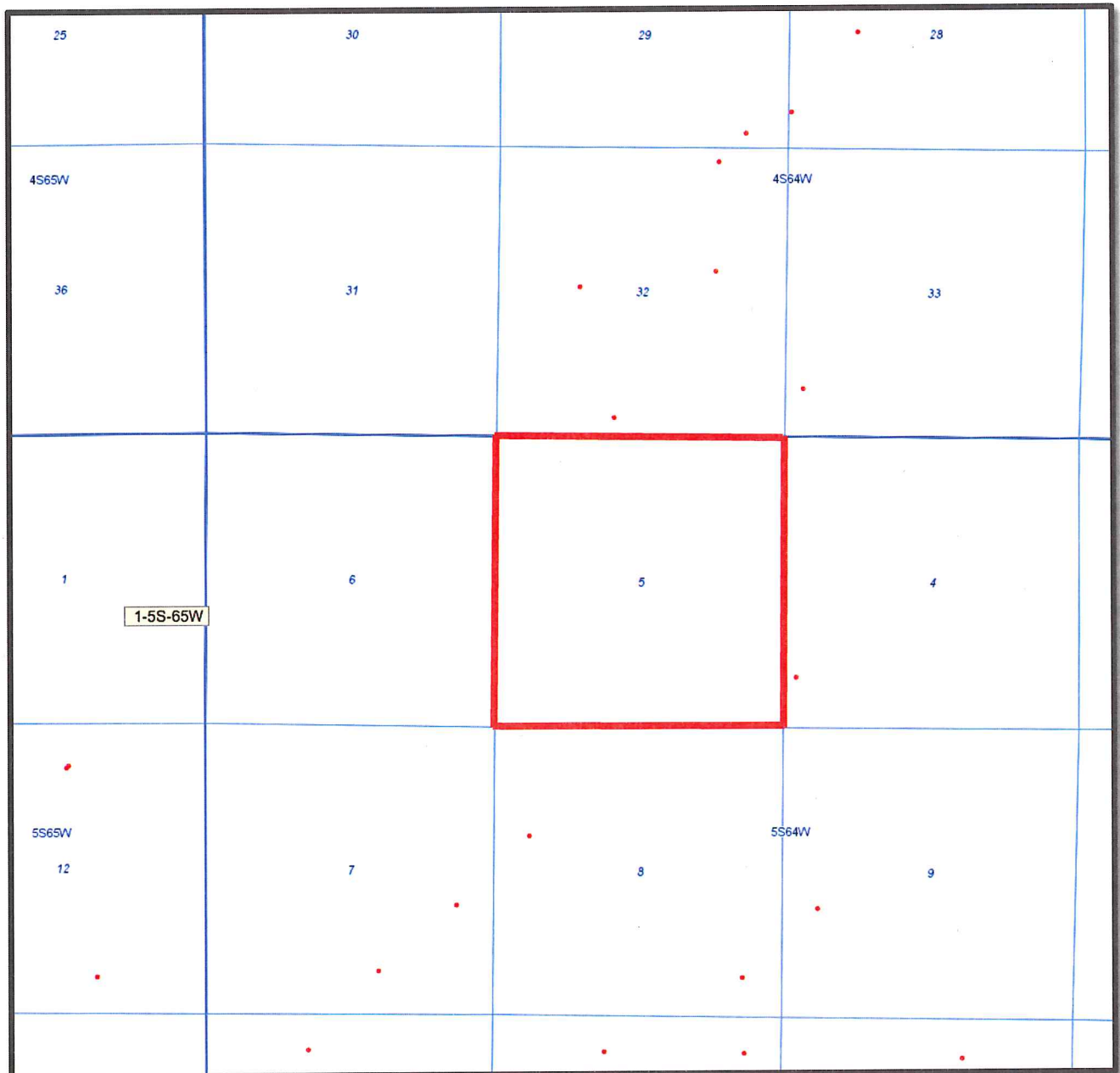


Notary Public



Reference Map
ConocoPhillips Company

Section 5, Township 5 South, Range 64 West, 6th P.M.



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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 July 24, 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 A attached hereto.


James P. Parrot

Subscribed and sworn to before me this 17th day of July, 2014.

Witness my hand and official seal.

My commission expires: Dec 16, 2018


Notary Public

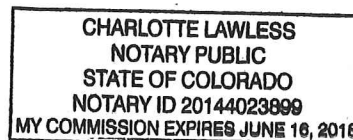


Exhibit A
Interested Party List
SP – Alamosa 5-64

ConocoPhillips Company
600 N. Dairy Ashford
HoustonTexas77080

Public Service Company of Colorado
1255 17th Street
DenverColorado80202

State of Colorado
Board of Land Commissioners
1313 Sherman Street
DenverColorado80203

United States of America
Colorado State Office
Bureau of Land Management
2850 Youngfield Street
LakewoodColorado80215

Box Elder Royalties, LLC
PO Box 29
Denver, CO 80201

Tom Schreiner
Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
6060 Broadway
Denver, CO 80216

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

Diane Kocis
Arapahoe County Public Works and Development
6924 South Lima Street

Box Elder Royalties, LLC
PO Box 29
Denver, CO 80201