

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 MODIFYING) CAUSE NO. 547
WELL LOCATION RULES FOR THE APPROXIMATE 362.73-)
ACRE DRILLING AND SPACING UNIT ESTABLISHED FOR) DOCKET NO. *To be assigned*
SECTIONS 21 & 28, TOWNSHIP 6 SOUTH, RANGE 96)
WEST, 6TH P.M., FOR PRODUCTION FROM THE MANCOS,)
NIOBRARA, FRONTIER, MOWRY, AND DAKOTA)
FORMATIONS, UNNAMED 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 authorize the drilling of up to eight (8) additional horizontal wells, for a total of ten (10) horizontal wells, and modify existing well location rules, for the approximate 362.73-acre drilling and spacing unit established for portions of Sections 21 and 28, Township 6 South, Range 96 West, 6th P.M. (described below), for the production of gas and associated hydrocarbons from the Mancos, 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 96 West, 6th P.M.

Section 21: Lots 1 thru 5, NE¹/₄ SW¹/₄, and E¹/₂ NW¹/₄

Section 28: Lots 3 and 4

Garfield County, Colorado

These lands comprise approximately 362.73 acres, 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. On September 16, 2013, the Commission entered Order No. 547-3 which, among other things, established an approximate 362.73-acre drilling and spacing unit for the Application Lands, and approved up to two horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Deep Formations, with the treated interval of the permitted wellbore(s) to be located no closer than 600 feet from the outer boundaries of the unit and not less than 150 feet from any other well or treated interval of a well producing from the same common source of supply, without exception from the Director.

4. Applicant herein requests authority to drill up to eight (8) additional horizontal wells, for a total of ten (10) horizontal wells, within the approximate 362.73-acre drilling and spacing unit established for the Application Lands, with the treated interval of any permitted well to be no closer than 300 feet from the northern and southern unit boundaries (with the 600 foot setback from the eastern and western unit boundaries maintained under this Application) and continued inter-well setbacks no closer

than 150 feet from any other well or treated interval of a well producing from the same source of supply, without exception from the Director.

5. Applicant requests that for wells 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.

6. Applicant asserts this request is consistent with governance under the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules, 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.

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

8. 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 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. Authorizing the drilling of up to eight (8) additional wells, for a total of ten (10) horizontal wells, within the approximate 362.73-acre drilling and spacing unit established for the Application Lands, with the treated interval of any permitted well to be no closer than 300 feet from the northern and southern unit boundaries (with the 600 foot setback from the eastern and western unit boundaries maintained under this Application) and continued inter-well setbacks no closer than 150 feet from any other well or treated interval of a well producing from the same source of supply, without exception from the Director.

B. Requiring that 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.

C. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.

D. Providing for any other relief as deemed appropriate by the Commission under the circumstances.

DATED this 16th day of October, 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.

Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

Applicant's Address:

WPX Energy Rocky Mountain, LLC

Maxwell Faith, 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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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

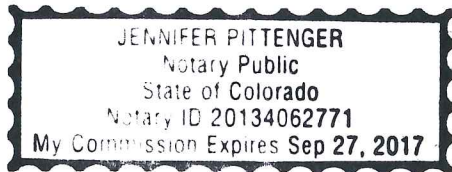
[Signature]

Maxwell Faith

Subscribed and sworn to before me this 16th day of October, 2014, by Maxwell Faith, Senior Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: 9-27-2017




Notary Public

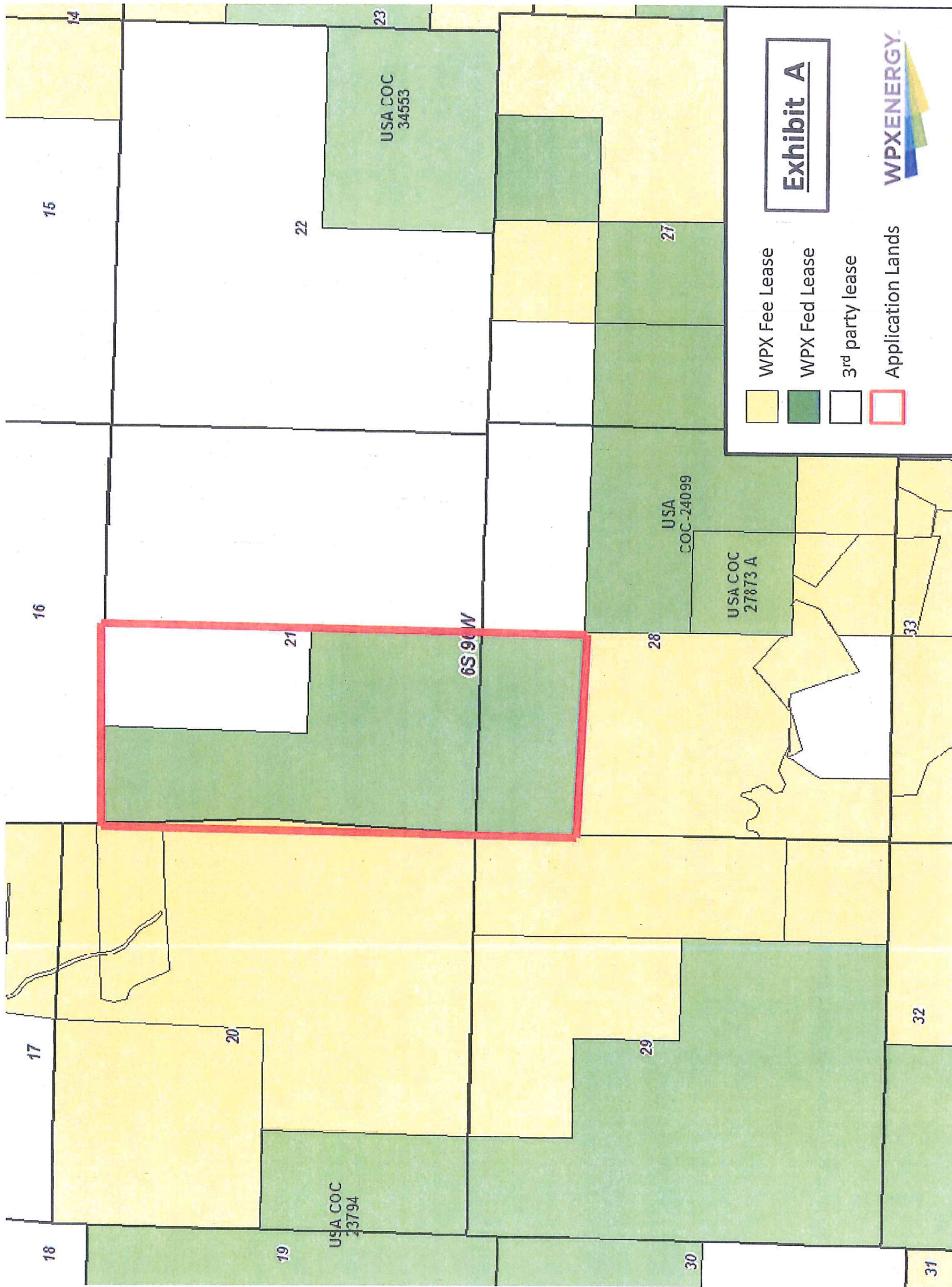


EXHIBIT B

INTERESTED PARTIES

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 this Exhibit B.

WPX Energy Rocky Mountain, LLC
1001 17th Street, Suite 1200
Denver, CO 80202
Attn: Maxwell Faith

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

OXY Y-1 Company
PO Box 27570
Houston, TX 77227-7570
Attn: Kim Evans

Yates Petroleum Corporation
ABO Petroleum Corporation
Myco Industries, Inc.
105 South 4th Street
Artesia, NM 88210

Encana Oil and Gas (USA) Inc.
Pavillion Land Development, LLC
370 17th Street, Suite 1700
Denver, CO 80202

Puckett Land Company
5460 S. Quebec Street
Greenwood Village, CO 80111

Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215

Garfield County
144 E. 3rd, Suite 203
Rifle, CO 80165

Colorado Parks and Wildlife
Northwest Regional Office
711 Independent Ave.
Grand Junction, CO 81505

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

Bureau of Land Management
Colorado River Valley Field Office
2300 River Frontage Road
Silt, Colorado 81652

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

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AFFIDAVIT OF MAILING

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

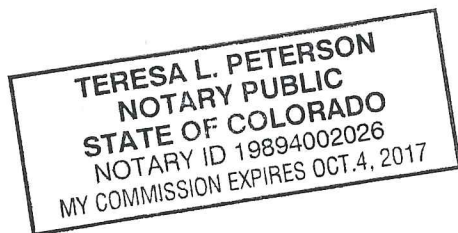
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

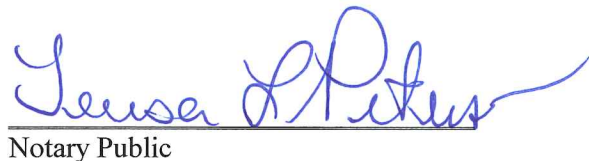
That she is a Legal Assitant for Beatty & Wozniak P.C. the attorneys for WPX Energy Rocky Mountain, LLC, that on or before October 23, 2014, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.


Jennifer Pittenger

Subscribed and sworn to before me October 16, 2014.

Witness my hand and official seal.




Notary Public