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

IN THE MATTER OF THE APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY **SUBSIDIARY** LP, Α OF CONOCOPHILLIPS COMPANY. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 320-ACRE DRILLING AND SPACING UNIT IN SECTION 16, TOWNSHIP 32 NORTH, RANGE 7 WEST, N.M.P.M., IN THE FRUITLAND COAL FORMATION, IGNACIO-BLANCO FIELD, LA PLATA COUNTY, **COLORADO** 

Cause No.

Docket No.

#### **APPLICATION**

Burlington Resources Oil & Gas Company LP, a subsidiary of ConocoPhillips Company (Operator No. 26580) ("Burlington" or "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 pooling all interests in a 320-acre drilling and spacing unit for the drilling of the Southern Ute 704H Well (No API No.) ("Well"), for the development of the Fruitland Coal Formation on the following described lands located in La Plata County, Colorado (hereinafter "Application Lands"):

Township 32 North, Range 7 West, N.M.P.M. Section 16: N½

320 acres, more or less, La Plata County, Colorado.

In support of its application, Applicant states and alleges as follows:

- 1. Applicant is a Delaware limited partnership duly organized and authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
- 2. Applicant owns leasehold interests and holds the right to operate in the Application Lands.
- 3. On August 15, 1988, the Commission entered Order No. 112-61, which among other things, amends parts of Order No. 112-60 and established additional rules for the production of coalbed methane.
- 4. On April 25, 2000, the Commission entered Order No. 112-157, which among other things, approves the request for an order to allow the drilling of additional wells on certain 320-acre drilling and spacing units in Township 32 North, Ranges 5-7

West, Township 33 North, Ranges 6-11 West, and Township 34 North, Ranges 6-10 West, N.M.P.M., south of the Ute Line.

- 5. On November 27, 2006, the Commission entered Order No. 112-197, which among other things, approves the request for an order to allow up to four (4) wells to be optionally, either directionally or horizontally, drilled in several 320-acre drilling and spacing units, including the Application Lands, with the permitted well to be located no closer than 660 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Fruitland Coal Formation.
- 6. Applicant, pursuant to Commission Rule 530 and the provisions of C.R.S. § 34-60-116 (6) and (7), seeks an order to pool all interests, including but not limited to, any non-consenting interests, in the Application Lands consisting of the 320-acre drilling and spacing unit for development of the Fruitland Coal Formation, said order to apply to the Well.
- 7. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Well in the unit for the development of the Fruitland Coal Formation on the Application Lands.
- 8. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 503.e., and that at least thirty-five (35) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Well, and will be provided with the information required by Rule 530.
- 9. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and the 320-acre drilling and spacing unit should be pooled for the orderly development of the Fruitland Coal Formation, including any non-consenting interests therein.

WHEREFORE, Applicant 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, the Commission enter its order:

- A. Pooling all interests in the 320-acre drilling and spacing unit on the Application Lands for the development of the Fruitland Coal Formation.
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Well in the unit for the development of the Fruitland Coal Formation on the Application Lands.
- C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the

authorized Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof.

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 March 2015, 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 day of December, 2014.

Respectfully submitted:

BURLINGTON RESOURCES OIL & GAS COMPANY LP, A SUBSIDIARY OF CONOCOPHILLIPS COMPANY

By:

Jamie L. Jost Joseph M. Evers

Jost & Shelton Energy Group, P.C.

Attorneys for Applicant 1675 Larimer St., Suite 420 Denver, Colorado 80202

720.379.1812

Applicant's Address:

Burlington Resources Oil & Gas Company LP, a subsidiary of ConocoPhillips Company ATTN: Ben Mitchell 3401 East 30<sup>th</sup> Street Farmington, NM 87402

### **VERIFICATION**

STATE OF NEW MEXICO	)
	) ss.
COUNTY OF SAN JUAN	)

Ben Mitchell, Associate Landman with Burlington Resources Oil & Gas Company LP, a subsidiary of ConocoPhillips Company, 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.

BURLINGTON RESOURCES OIL & GAS COMPANY LP, A SUBSIDIARY OF CONOCOPHILLIPS COMPANY

Ben Mitchell

Associate Landman

Subscribed and sworn to before me this  $20^{1/9}$  day of December, 2014, by Ben Mitchell, Associate Landman with Burlington Resources Oil & Gas Company LP, a subsidiary of ConocoPhillips Company.

Witness my hand and official seal.

My commission expires:\_

Notary Public

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#### **AFFIDAVIT OF MAILING**

STATE OF COLORADO	)
	) ss
COUNTY OF DENVER	)

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Burlington Resources Oil & Gas Company LP, a subsidiary of ConocoPhillips Company, and that on or before the day of December 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 <a href="Exhibit A">Exhibit A</a> attached hereto.

Jamie L. Jost

Subscribed and sworn to before me this 22 day of December, 2014.

Witness my hand and official seal.

My commission expires:

June 24, 2018

RACHEL FLEMING NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20144025048 MY COMMISSION EXPIRES JUNE 24, 2018

Notary Public

## Exhibit A Interested Party List

Burlington Resources Oil & Gas Company LP, a subsidiary of ConocoPhillips Company 3401 East 30<sup>th</sup> Street Farmington, NM 87402

Rock Creek Ranch I, LTD 100 Waugh Dr., Suite 400 Houston, TX 77007

Sagle, Schwab & McLean Energy Resources, LLC PO Box 2677 Durango, CO 81302

LHS Smith & Smith, LTD, LLP PO Box 52890 Houston, TX 77052

Southern Ute Indian Tribe Department of Energy Attn: Karen Spray P.O. Box 1500 14933 Hwy 172 Ignacio, CO 81137

Bureau of Indian Affairs 13922 Denver W. Pkwy #54 Lakewood, CO 80401