

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 473-)
ACRE EXPLORATORY DRILLING UNIT ESTABLISHED) DOCKET NO. *To be assigned*
FOR CERTAIN PORTIONS OF SECTIONS 5 AND 8,)
TOWNSHIP 7 SOUTH, RANGE 96 WEST, 6TH P.M., FOR)
PRODUCTION FROM THE SEGO, MANCOS, NIOBRARA,)
FRONTIER, MOWRY AND DAKOTA FORMATIONS,)
GRAND VALLEY FIELD, GARFIELD COUNTY,)
COLORADO)

APPLICATION

WPX Energy Rocky Mountain, LLC, Operator No. 96850 ("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 modify existing well location rules for the approximate 473-acre exploratory drilling unit established for certain portions of Sections 5 and 8, Township 7 South, Range 96 West, 6th P.M. (described below) for horizontal and vertical well development, for the production of oil, gas and associated hydrocarbons from the Sego, 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 7 South, Range 96 West, 6th P.M.

Section 5: W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ (also described as Lot 6, NE $\frac{1}{4}$ SE $\frac{1}{4}$ for 36.44 acres, more or less, and Lot 7, SE $\frac{1}{4}$ SE $\frac{1}{4}$ for 36.55 acres, more or less)

Section 8: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ (also described as Lot 1 for 39.66 acres, more or less), and SE $\frac{1}{4}$

Garfield County, Colorado

These lands comprise approximately 473 acres, more or less, 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 March 17, 2014, the Commission entered Order No. 547-7 which, among other things, established an approximate 473-acre exploratory drilling unit for the Application Lands, and approved up to twenty (20) horizontal, vertical or directional wells to be drilled therein, 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 300 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 requests the Order No. 547-7 well location rules for the 473-acre exploratory drilling unit established for the Application Lands be modified to allow the treated interval of any permitted well to be located 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 not less 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 continues to support the provision of Order No. 547-7 which requires wells to be drilled from no more than one surface location per quarter quarter section or lots or parcels approximately equivalent thereto.

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 in the 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. Modifying the Order No. 547-7 well location rules for the 473-acre exploratory drilling unit established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Deep Formations, to allow the treated interval of any permitted well to be located 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 not less 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. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 14th day of February, 2015.

Respectfully submitted,

WPX ENERGY ROCKY MOUNTAIN, LLC

By: 

Michael J. Wozniak
James Parrot
Jillian Fulcher
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, CO 80202
(303) 407-4499
mwozniak@bwenergylaw.com
jparrot@bwenergylaw.com
jfulcher@bwenergylaw.com

Applicant's Address:

WPX Energy Rocky Mountain, LLC
Christopher M. Walsh, Senior Staff Landman
1001 17th Street, Suite 1200
Denver, CO 80202

VERIFICATION

STATE OF COLORADO

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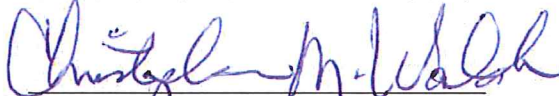
) ss.

CITY & COUNTY OF DENVER

)

Christopher M. Walsh, Senior Staff 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




Christopher M. Walsh

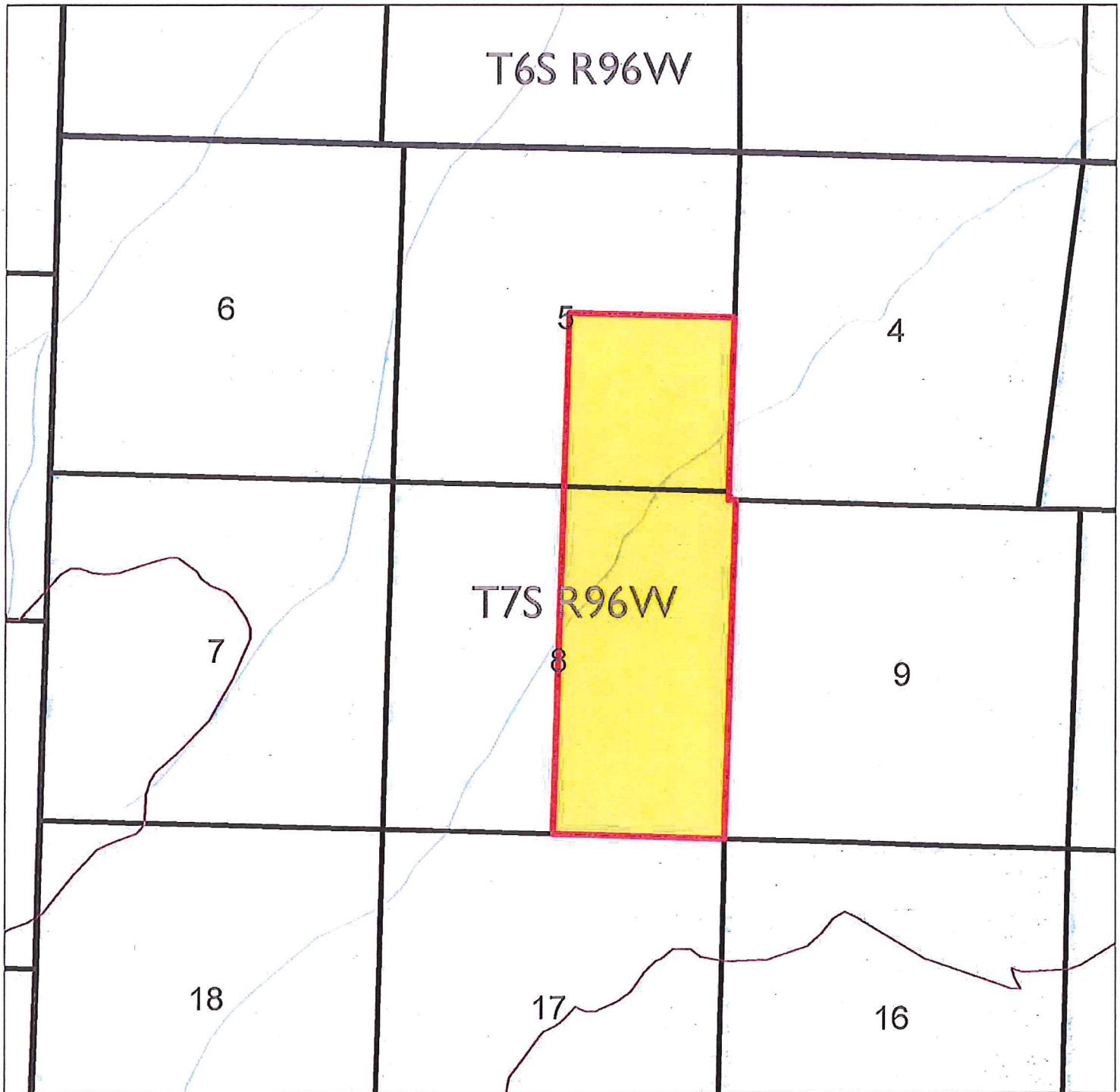
Subscribed and sworn to before me this 10th day of February, 2015, by Christopher M. Walsh, Senior Staff Landman for WPX Energy Rocky Mountain, LLC.

Witness my hand and official seal.

My commission expires: _____



Notary Public



Application for Reduced Setbacks Portions of Sections 5, 8 in T7S R96W

Proposed 473-acre Spacing Unit

for the Iles, Mancos, Niobrara, Frontier, Mowry, Dakota and Cedar Mountain Formations



 Application Lands
 Federal Lands

Exhibit "A"
Cause No. - 510
Docket No. - to be assigned



EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within the unit and owners of cornering or contiguous 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
Christopher M. Walsh, Senior Staff Landman
1001 17th Street, Suite 1200
Denver, CO 80202

Jillian Fulcher
Beatty & Wozniak, P.C.
216 16th Street, Suite 1100
Denver, CO 80202

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

Kim Kaal
Energy Liaison
Colorado Division of Wildlife
711 Independent Ave.
Grand Junction, CO 81505

Bureau of Land Management
Attention: Mr. Bob Hartman
2300 River Frontage Road
Silt, CO 81652

Bureau of Land Management
Attention: Mr. Steve Ficklin
2300 River Frontage Road
Silt, CO 81652

Bureau of Land Management
Colorado State Office
Attn: Ms. Sherri Thompson
2850 Youngfield St.
Lakewood, CO 80215

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

Garfield County
144 E. 3rd, Suite 203
Rifle, CO 81650

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

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

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

OXY Y-1 Company
Occidental Oil & Gas Corporation
Attention: Susannah Russell
5 Greenwood Plaza, Ste 110
Houston, TX 77047-0521

Chevron U.S.A. Inc.
Attention: Kevin McCarty
1400 Smith Street, Suite 47170
Houston, TX 77002-3801

Puckett Land Company
Attention: Ray Anderson
5460 South Quebec St., #250
Greenwood Village, CO 80111

Caerus Oil and Gas LLC
Attention: Tricia DiGrappa
600 Seventeenth Street
Suite 1600N
Denver, CO 80202

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GRAND VALLEY FIELD, GARFIELD COUNTY,)
COLORADO)

AFFIDAVIT OF MAILING

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

Jillian Fulcher, of lawful age, and being first duly sworn upon her oath, states and declares:

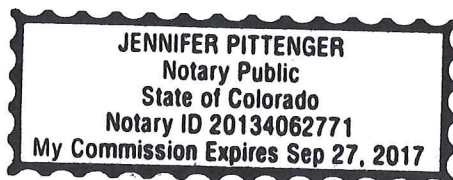
That she is an attorney for WPX Energy Rocky Mountain, LLC, that on or before February 18th, 2015, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.



Jillian Fulcher

Subscribed and sworn to before me February 11th, 2015.

Witness my hand and official seal.





Notary Public