

**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 MAINTAIN A 640-ACRE DRILLING AND SPACING UNIT ESTABLISHED BY ORDER NO. 535-397 FOR PURPOSES OF PAYMENT OF PROCEEDS AND ESTABLISH AN APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT FOR THE DRILLING OF UP TO EIGHT NEW HORIZONTAL WELLS WITH WELL LOCATION RULES FOR THE NIOBRARA FORMATION IN SECTIONS 19 AND 20, TOWNSHIP 4 SOUTH, RANGE 64 WEST, 6TH P.M., UNNAMED FIELD, ARAPAHOE COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 180600400

TYPE: SPACING

AMENDED APPLICATION

ConocoPhillips Company (Operator No. 19160) and its wholly owned subsidiary Burlington Resources Oil & Gas LP (Operator No. 26580) (together, "Applicant" or "COPC"), by and through its attorneys, Jost Energy Law, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to maintain **an approximate 640-acre drilling and spacing unit established by Order No. 535-397 for the Lussing Trust 20 1H (API No. 05-005-07234) and the Lussing Trust 20 2H-D (API No. 05-005-07260) well located in Section 20, Township 4 South, Range 64 West, 6th P.M., until the date of first production of the first new well within the proposed unit** and establish an approximate 1,280-acre drilling and spacing unit for Sections 19 and 20, Township 4 South, Range 64 West, 6th P.M., and to approve up to eight new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. 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 is an Owner as defined by the Colorado Oil and Gas Conservation Act and/or owns leasehold interests or holds the right to drill and operate on the following lands (hereafter "Application Lands"):

Township 4 South, Range 64 West, 6th P.M.

Section 19: All

Section 20: All

1,280-acres, more or less, Adams 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 19, Township 4 South, Range 64 West, 6th P.M. is subject to Rule 318.a. for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

4. On December 12, 2011, the Commission entered Order No. 535-100 which, among other things, granted a well location exception to the requirements of Commission Rule 318.a. for certain lands including Section 19, Township 4 South, Range 64 West, 6th P.M., for the development and production of oil, gas and related hydrocarbons from the Niobrara Formation, providing: 1) that the surface location for each horizontal well drilled within a given section of said lands may be located anywhere within the section or on adjoining lands with appropriate surface owner approval; 2) the lateral of a given horizontal well may enter the Niobrara Formation no closer than 300 feet from the section line; 3) the treated interval within the Niobrara Formation may be located not closer than 460 feet from the section line; and 4) the distance between the treated interval of Niobrara wells within the Application Lands shall not be less than 920 feet.

5. On September 16, 2013, the Commission entered Order No. 535-397 which, among other things, established two approximate 640-acre exploratory drilling and spacing units for Sections 20 and 28, Township 4 South, Range 64 West, 6th P.M., and approved up to two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the producing interval of such wells in the Niobrara Formation no closer than 460 feet from the boundaries of the spacing unit, and no closer than 920 feet from the producing interval of any other well producing from the common source of supply, without exception being granted by the Director.

6. On September 16, 2013, the Commission entered Order No. 535-403 which, among other things, denied the request for an order to pool all interests within an approximate 640-acre drilling and spacing unit established for Sections 20 and 28, Township 4 South, Range 64 West, 6th P.M. to accommodate the Lussing Trust 20-1H Well and the Tebo 28-1H Well, for the development and operation of the Niobrara Formation.

7. The records of the Commission reflect that one horizontal well is currently producing from the Niobrara Formation in Section 19, Township 4 South, Range 64 West, 6th P.M., operated by Applicant **and drilled on a lease basis**: the Watkins #4-64-19-1H (API No. 05-005-07173). Applicant respectfully requests that the Watkins #4-64-19-1H well be excluded from the proposed 1,280-acre unit and continue to be allocated on a 640-acre unit basis for purposes of the payment of proceeds.

8. The records of the Commission also reflect that there are two approved APDs in **Section 20, Township 4 South, Range 64 West, 6th P.M. filed by Applicant. Applicant respectfully requests that the approximate 640-acre drilling and spacing unit established by Order No. 535-397 be maintained for the Lussing Trust 20 1H (API No. 05-005-07234) and the Lussing Trust 20 2H-D (API No. 05-005-07260) well located in Section 20, Township 4 South, Range 64 West, 6th P.M., until the date of first production of the first new well within the proposed unit.**

9. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should **maintain an approximate 640-acre drilling and spacing unit established by Order No. 535-397 for the Lussing Trust 20 1H (API No. 05-005-07234) and the Lussing Trust 20 2H-D (API No. 05-005-07260) well located in Section 20, Township 4 South, Range 64 West, 6th P.M., until the date of first production of the first new well within the proposed unit**, and establish an approximate 1,280-acre drilling and spacing unit for the Application Lands, and to approve up to eight new horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

10. 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.

11. Applicant is requesting to drill and complete up to eight new horizontal wells within the proposed unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the Niobrara Formation within the Application Lands, and there will be no adverse effect on correlative rights of adjacent owners.

12. The Applicant maintains that there will be no more than two new well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

13. The productive 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 productive interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.

14. 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 on June 11, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order to:

A. **Maintain an approximate 640-acre drilling and spacing unit established by Order No. 535-397 for the Lussing Trust 20 1H (API No. 05-005-07234) and the Lussing Trust 20 2H-D (API No. 05-005-07260) well located in Section 20, Township 4 South, Range 64 West, 6th P.M., until the date of first production of the first new well within the proposed unit.,**

B. Establish an approximate 1,280-acre drilling and spacing unit for Sections 19 and 20, Township 4 South, Range 64 West, 6th P.M., and approve up to eight new horizontal wells in the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation in the unit.

C. Provide that the productive 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 productive interval of another well within the unit, and authorizing up two new well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

D. Provide that the Watkins #4-64-19-1H (API No. 05-005-07173) be excluded from the proposed 1,280-acre unit and continue to be allocated on a 640-acre lease basis for purposes of the payment of proceeds.

E. Find that an approximate 1,280-acre 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 the Application Lands.

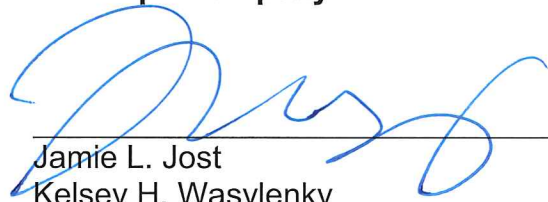
F. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED this 7th day of **May**, 2018.

Respectfully submitted:

ConocoPhillips Company

By: _____

A handwritten signature in blue ink, appearing to be 'Jost', is written over a horizontal line.

Jamie L. Jost
Kelsey H. Wasylenky
Jost Energy Law, P.C.
Attorneys for Applicant
1401 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620

Applicant's Address:
ConocoPhillips Company
Attn: Jeff Hartman
600 N. Dairy Ashford Road
Houston, TX 77079-1069

Reference Map
ConocoPhillips Company

Sections 19 and 20, Township 4 South, Range 64 West, 6th P.M.

