

**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 AUTHORIZE AN ADDITIONAL
FOUR HORIZONTAL WELLS, FOR A TOTAL
OF UP TO NINE HORIZONTAL WELLS IN AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT ESTABLISHED FOR
SECTIONS 25 AND 26, TOWNSHIP 4 SOUTH,
RANGE 65 WEST, 6TH P.M., FOR
PRODUCTION FROM THE NIOBRARA
FORMATION UNNAMED FIELD, ARAPAHOE
COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 181000____

TYPE: ADDITIONAL WELLS

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 authorize an additional four horizontal wells, for a total of up to nine horizontal wells in an approximate 1,280-acre drilling and spacing unit established for the Application Lands described below. 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. COPC and/or its subsidiary company Burlington Resources Oil & Gas Company LP are Owners as defined by the Colorado Oil and Gas Conservation Act and the Commission's 100 Series Rules and own certain leasehold interests or the right to operate leasehold interests in the following lands (hereafter "Application Lands"):

Township 4 South, Range 65 West, 6th P.M.

Section 25: All

Section 26: All

1,280 acres, more or less, Arapahoe County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On November 29, 2011, the Commission entered Order No. 535-97 which established twenty-five approximate 640-acre drilling and spacing units for certain lands, including Section 26, Township 4 South, Range 65 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.

4. On December 16, 2011, the Commission entered Order No. 535-100 which, among other things, established that: 1) surface locations for each horizontal well may be located anywhere within Section 25, Township 4 South, Range 65 West, 6th P.M. 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, for the production of oil, gas, and other hydrocarbons from the Niobrara Formation.

5. On May 18, 2015, the Commission entered Order No. 535-664 which, among other things, 1) vacated an approximate 640-acre drilling and spacing unit established by Order No. 535-97 for Section 26, Township 4 South, Range 65 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) vacated Order No. 535-100 as it applies to Section 25, Township 4 South, Range 65 West, 6th P.M.; 3) established an approximate 1280-acre drilling and spacing unit for Sections 25 and 26, Township 4 South, Range 65 West, 6th P.M.; 4) approved up to two horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; and 5) provided that the productive interval of the wellbores shall be located no closer than 460 feet from the unit boundaries, and no closer than 960 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director, and that the proposed wells shall be located on no more than eight wellpads within the drilling and spacing unit.

6. On October 30, 2017, the Commission entered Order No. 535-868 which, among other things, pooled all interests in the Application Lands underlying an approximate 1,280-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation, and subjected any non-consenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Chico 4-65 25-26 4AH well (API No. 05-005-07251).

7. On January 29, 2018, the Commission entered Order No. 535-937 which, among other things, approved an additional three horizontal wells, for a total of up to five horizontal wells in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-664 for the Application Lands, for the development and operation of the Niobrara Formation, and provided that the productive interval of 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 to two well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

8. On January 29, 2018, the Commission entered Order No. 535-938 which, among other things, pooled all interests in an approximate 1280-acre drilling and spacing unit established for Sections 25 and 26, Township 4 South, Range 65 West, 6th P.M., for the development and operation of the Niobrara Formation, and subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Chico 4-65 26-25 2BH Well, the Chico 4-65 26-25 2CH Well, the Chico 4-65 26-25 2DH Well and the Chico 4-65 26-25 3AH Well.

9. The records of the Commission reflect that no horizontal wells are currently producing from the Niobrara Formation in the Application Lands. However, there are five approved APDs within the unit comprising the Application Lands.

10. To promote efficient drainage within the Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should authorize an additional four horizontal wells, for a total of up to nine horizontal wells, in the approximate 1,280-acre drilling and spacing unit established for the Application Lands for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

11. The above proposed additional wells 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.

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. Applicant states that the productive interval of all proposed horizontal wells in the Application Lands 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 October 29-30, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order to:

A. Authorize an additional four horizontal wells, for a total of up to nine horizontal wells, in an approximate 1,280-acre drilling and spacing unit established for

Sections 25 and 26, Township 4 South, Range 65 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. Provide that the productive interval of 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 to two well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

C. Find that the authorization of up to nine horizontal wells within 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.

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

DATED this 29th day of August, 2018.

Respectfully submitted:

ConocoPhillips Company

By: 

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: Mark Salvie
600 N. Dairy Ashford Road
Houston, TX 77079-1069

VERIFICATION

STATE OF TEXAS

)

) SS.

COUNTY OF HARRIS

)

Mark Salvie, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for ConocoPhillips Company, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Mark Sahin

Mark Salvie
Senior Landman
ConocoPhillips Company


Subscribed and sworn to before me this 29 day of August, 2018.

Witness my hand and official seal.



My commission expires

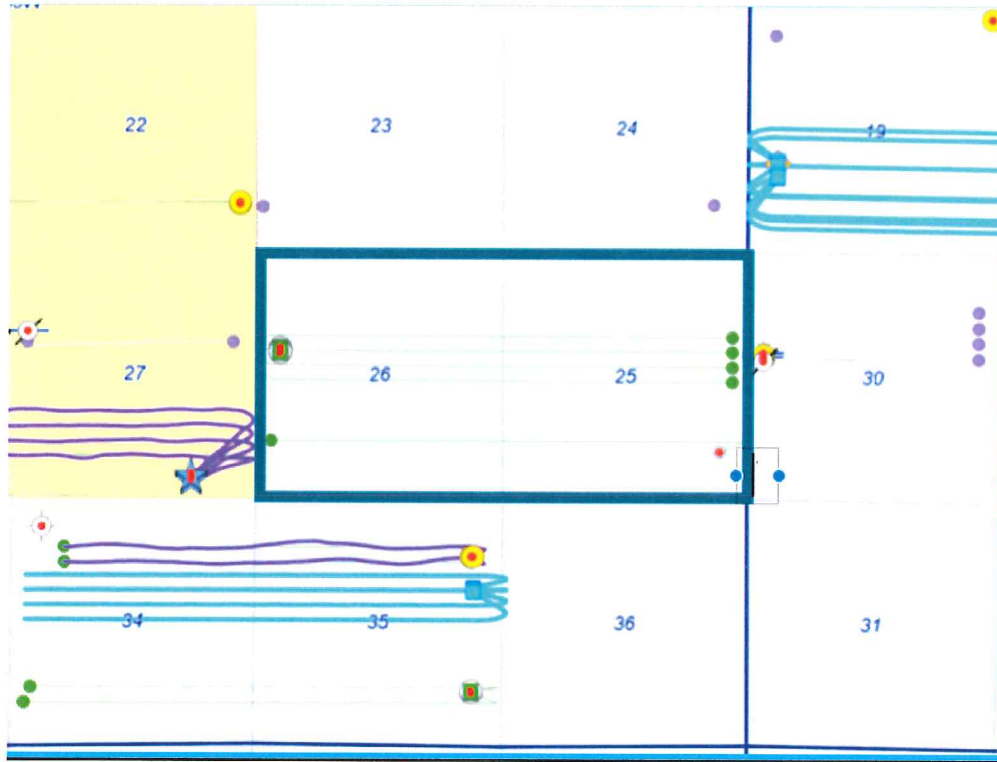
11/27/2021


Notary Public

Notary Public

Reference Map
ConocoPhillips Company

Sections 25 and 26, Township 4 South, Range 65 West, 6th P.M.



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CAUSE NO. 535

DOCKET NO. 181000747

TYPE: ADDITIONAL WELLS

AFFIDAVIT OF MAILING

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

The undersigned, of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for ConocoPhillips Company, and that on or before the 5th day of September, I caused a copy of the Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to this Affidavit.



Jamie L. Jost
Kelsey H. Wasylenky

Subscribed and sworn to before me this 4th day of September 2018.

Witness my hand and official seal.



Notary Public

KERRY LEBLEU NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19934018734 MY COMMISSION EXPIRES JULY 24, 2021
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EXHIBIT A
COPC ID – Chico 4-65 25-26

ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX 77079

Burlington Resources Oil & Gas Company LP
600 N. Dairy Ashford
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