

**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
SEVEN HORIZONTAL WELLS, FOR A TOTAL
OF UP TO ELEVEN (11) HORIZONTAL WELLS
IN AN APPROXIMATE 1,280-ACRE DRILLING
AND SPACING UNIT ESTABLISHED FOR
SECTIONS 27 AND 28, 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 seven horizontal wells, for a total of up to eleven (11) 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 27: All
Section 28: All

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

A reference map of the Application Lands is attached hereto.

3. On October 31, 2011, the Commission entered Order No. 535-97 which, among other things, established 25 approximate 640-acre drilling and spacing units for production of oil, gas and associated hydrocarbons from the Niobrara Formation, and

approved up to two horizontal wells within each unit, with surface locations being located anywhere within the unit or surrounding lands, but providing that the lateral of such well may not enter the Niobrara Formation any closer than 300 feet from the section line, with the treated interval of the permitted wellbore to be located no closer than 460 feet from the boundary of the unit and no closer than 920 feet from the treated interval of any other well in the unit producing from the Niobrara, without exception being granted by the Director. Section 28, Township 4 South, Range 65 West, 6th P.M., is subject to Order No. 535-97.

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 in Sections 1, 3, 7, 9, and 19, Township 4 South, Range 64 West, 6th P.M., and Sections 1, 13, 19, 25, 27, and 29, Township 4 South, Range 65 West, 6th P.M., for the development and production of oil, gas and related hydrocarbons from the Niobrara Formation, providing that: (1) 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; for production of oil, gas, and other hydrocarbons from the Niobrara Formation. Section 27, Township 4 South, Range 65 West, 6th P.M., is subject to Order No. 535-100.

5. On December 12, 2016, the Commission entered Order No. 535-755 which, among other things, modified Order No. 535-97 to allow for one vertical well in Section 28, Township 4 South, Range 65 West, 6th P.M. within an established 640-acre unit for production of oil, gas and associated hydrocarbons from the Niobrara Formation, providing that the productive interval of the wellbore will be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, unless the Director grants an exception.

6. On March 20, 2017, the Commission entered Order No. 535-770 which, among other things, pooled all interests in an approximate 640-acre drilling and spacing unit established for Section 28, Township 4 South, Range 65 West, 6th P.M., for the development and operation of the Niobrara Formation, 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)(II), C.R.S., are first incurred for the drilling of the Little Rush 4-65 28 1V Well.

7. On October 30, 2017, the Commission entered Order No. 535-883, which among other things: (1) established an approximate 1,280-acre drilling and spacing unit for Sections 27 and 28, Township 4 South, Range 65 West, 6th P.M., and approved up to four new horizontal wells in the unit for the production of oil, gas, and associated hydrocarbons from of the Niobrara Formation; (2) provided that the Cottonwood Creek 4-65 27 #1H Well (API No. 05-005-07215) shall be excluded from the 1,280-acre unit and remain subject to Order No. 535-100 for purposes of payment of proceeds; (3) provided

that the Little Rush 4-65 28 #1V Well (API No. 05-005-07270) shall be excluded from the 1,280-acre unit and remain subject to Order Nos. 535-755 and 535-770 for purposes of payment of proceeds; (4) provided that the treated 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 treated interval of another well within the unit; and (5) authorized up to two multi-well pads in the unit, or on lands adjacent thereto, unless an exception is granted by the Director.

8. On October 30, 2017, the Commission entered Order No. 535-885 which, among other things, pooled all interests underlying an approximate 1,280-acre drilling and spacing unit established for Sections 27 and 28, Township 4 South, Range 65 West, 6th P.M., and subjected 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 Cottonwood Creek 4-65 27-28 3CH Well, the Cottonwood Creek 4-65 27-28 3DH Well, the Cottonwood Creek 4-65 27-28 4AH Well, and the Cottonwood Creek 4-65 27-28 4BH Well, for the development and operation of the Niobrara Formation.

9. On March 19, 2018, the Commission entered Order No. 535-968 which, among other things, modified Order No. 535-97 to vacate the approval of two horizontal wells in an approximate 640-acre drilling and spacing unit established for Section 28, Township 4 South, Range 65 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, provided that Order Nos. 535-755 and 535-770 be maintained for purposes of the payment of proceeds of the Little Rush 4-65 28 1V Well. Order No. 535-968 further provides that Order Nos. 535-755 and 535-770, and the approximate 640-acre drilling and spacing unit established by Order No. 535-97 for Section 28, Township 4 South, Range 65 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, shall be maintained solely for purposes of the payment of proceeds of production from the Little Rush 4-65 28 1V Well (API No. 05-005-07270).

10. The records of the Commission reflect that five (5) horizontal wells are currently producing from the Niobrara Formation in the Application Lands, operated by Applicant and summarized below:

<u>Well Name</u>	<u>API No.</u>
Cottonwood Creek 4-65 27-28 3CH	05-005-07331
Cottonwood Creek 4-65 27-28 3DH	05-005-07330
Cottonwood Creek 4-65 27-28 4AH	05-005-07328
Cottonwood Creek 4-65 27-28 4BH	05-005-07329
Cottonwood Creek 4-65 27 1H	05-005-07215

11. Applicant respectfully requests that the Cottonwood Creek 4-65 27 #1H Well (API No. 05-005-07215) remain excluded from the 1,280-acre unit and remain subject to Order No. 535-100 for purposes of payment of proceeds pursuant to Order No. 535-883.

12. 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 seven horizontal wells, for a total of up to eleven (11) 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.

13. 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.

14. 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.

15. 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.

16. 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 seven horizontal wells, for a total of up to eleven (11) horizontal wells, in an approximate 1,280-acre drilling and spacing unit established for Sections 27 and 28, 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 eleven (11) 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.

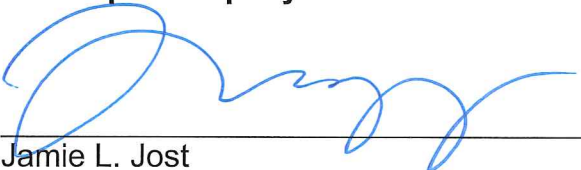
D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

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 Salvie

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: _____

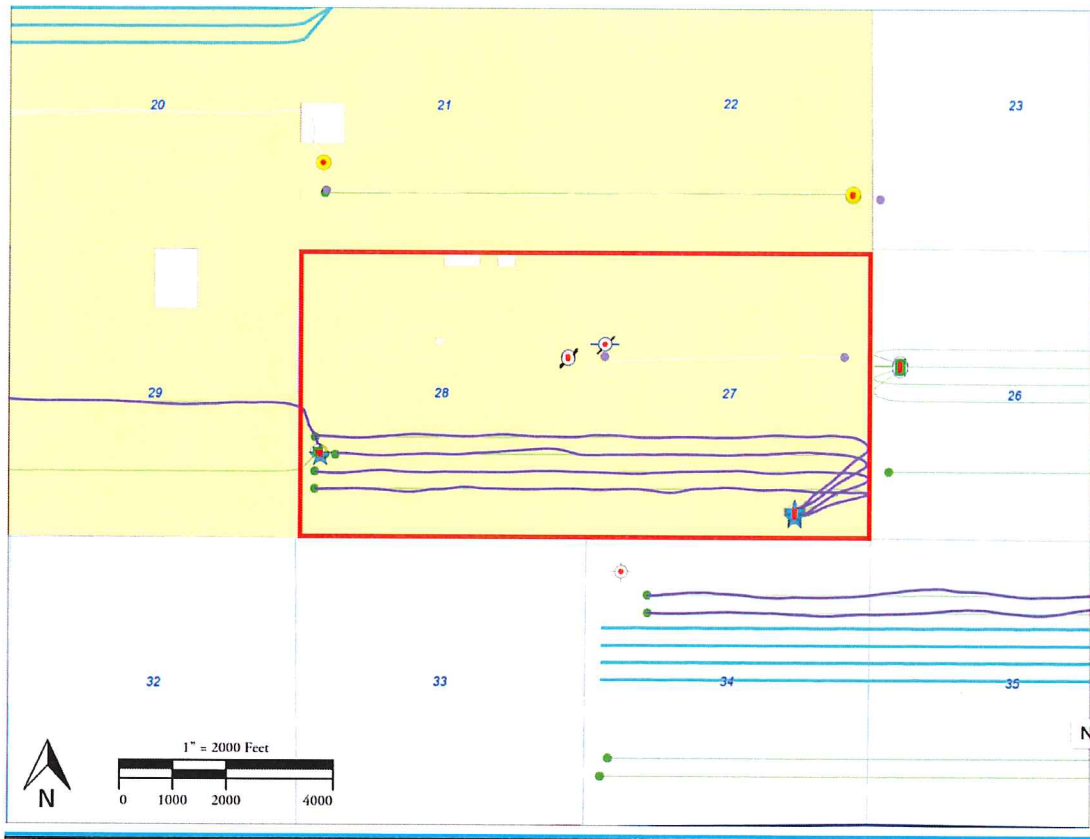
11/27/2021

Juny Baggett
Notary Public

Notary Public

Reference Map
ConocoPhillips Company

Sections 27 and 28, Township 4 South, Range 65 West, 6th P.M.



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COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 181000748

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, 2018 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

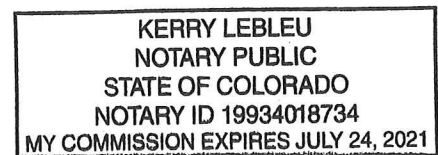


EXHIBIT A
COPC – ID – Cottonwood Creek 4-65 27-28

Arapahoe County Board of County
Commissioners
Administration Building,
5334 S. Prince St.,
Littleton, CO 80120

City of Aurora
15151 E. Alameda Pkwy., Ste. 3200
Aurora, CO 80012

Angel Solis
302 Newark St.
Aurora, CO 80010

ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX 77079

Burlington Resources Oil & Gas Company
LP
600 N. Dairy Ashford
Houston, TX 77079

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

Brandon Marette
Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
6060 Broadway
Denver, CO 80216

Diane Kocis
Arapahoe County Public
Works and Development
6924 South Lima Street
Centennial, CO 80112