

**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 SUBJECT ALL NONCONSENTING
INTERESTS TO THE COST RECOVERY
PROVISIONS OF § 34-60-116(7), C.R.S., FOR
THE DRILLING OF FOUR (4) WELLS IN AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT ESTABLISHED FOR
SECTIONS 28 AND 29, TOWNSHIP 3 SOUTH,
RANGE 65 WEST, 6TH P.M., FOR THE
NIOBRARA FORMATION UNNAMED FIELD,
ADAMS COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 190300____

TYPE: POOLING

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 subject all nonconsenting interests within an approximate 1,280-acre drilling and spacing unit established for Sections 28 and 29, Township 3 South, Range 65 West, 6th P.M., to the cost recovery provisions of §34-60-116(7), C.R.S., 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), C.R.S., are first incurred for the drilling of the King 3-65 28-29 4AH Well, the King 3-65 28-29 4BH Well, the King 3-65 28-29 4CH Well, and the King 3-65 28-29 4DH Well ("Wells") underlying the below-described lands (the "Application Lands").

Township 3 South, Range 65 West, 6th P.M.

Section 28: All

Section 29: All

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

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

1. COPC is a Delaware corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
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 Application Lands.

3. On October 31, 2011, the Commission entered Order No. 535-89 which, among other things, established 18 approximate 640-acre drilling and spacing units and approve up to two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with surface locations being located anywhere within the unit or adjacent lands, but 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 Formation. The Application Lands are subject to this Order for the Niobrara Formation.

4. On April 18, 2016, the Commission entered Order No. 535-729 which, among other things, 1) vacated two approximate 640-acre drilling and spacing units established by Order No. 535-89 for Sections 28 and 29, Township 3 South, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation; and, 2) established an approximate 1280-acre drilling and spacing unit for Sections 28 and 29, Township 3 South, Range 65 West, 6th P.M., and approved up to two horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, and 3) authorized 460 foot subsurface boundary setbacks and 150 foot interwell setbacks for any approved wells drilled on the Application Lands.

5. On January 29, 2018, the Commission entered Order No. 535-930 which, among other things, approved an additional three horizontal wells, for a total of up to five horizontal wells, in the approximate 1,280-acre drilling and spacing unit established for Sections 28 and 29, Township 3 South, Range 65 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the productive interval of any horizontal well to be located 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.

6. On March 19, 2018, the Commission entered Order No. 535-971 which, among other things, pooled all interests in an approximate 1,280-acre drilling and spacing unit established for Sections 28 and 29, Township 3 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., for the drilling of the King 3-65 28-29 3AH Well, the King 3-65 28-29 3BH Well, the King 3-65 28-29 3CH Well, and the King 3-65 28-29 3DH Well, for the development and operation of the Niobrara Formation.

7. On October 18, 2018, Applicant filed a verified Increased Density Application in Docket No. 181200958 pursuant to §34-60-116, C.R.S. for an order to approve an additional three horizontal wells, for a total of up to eight 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, with the productive interval of any horizontal well to be located 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. Docket No. 181200958 is scheduled to be heard before the Commission on December 17-18, 2018.

8. COPC, pursuant to Commission Rule 530 and/or the provisions of §34-60-116(6) and (7), C.R.S., hereby requests an order to subject any nonconsenting interests in the approximate 1,280-acre drilling and spacing unit established for the Application Lands to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of this Application, or the date that the costs specified in § 34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Wells, for the development and operation of the Niobrara Formation.

9. COPC certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the pooled tracts 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 Wells, and will be provided with the information required by Rule 530 as applicable.

10. In order to allow for more efficient reservoir drainage, prevent waste, assure a greater ultimate recovery of hydrocarbons, and to correlative rights, all nonconsenting interests within the 1,280-acre drilling and spacing unit should be subject to the cost recovery provisions of §34-60-116(7), C.R.S., for the orderly development and operation of the Wells in the Niobrara Formation, including any non-consenting interests therein.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in March 11-12, 2019, that notice be given as required by law, and that upon such hearing this Commission enter its order:

A. Subject all nonconsenting interests in an approximate 1,280-acre drilling and spacing unit for Sections 28 and 29, Township 3 South, Range 65 West, 6th P.M., to the cost recovery provisions of §34-60-116(7), C.R.S., 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 King 3-65 28-29 4AH Well, the King 3-65 28-29 4BH Well, the King 3-65 28-29 4CH Well, and the King 3-65 28-29 4DH Well ("Wells");

B. Providing that the production obtained from the Wells shall be allocated to each owner in the unit on the basis of the proportion that the number of acres in such tract bears to the total number of mineral acres within the drilling and spacing unit; each owner of an interest in the drilling and spacing unit shall be entitled to receive its share of the production of the Wells applicable to its interest in the drilling and spacing unit.

C. Providing that any working interest owner who does not elect to participate in the Well or fails to make a timely election is hereby deemed to be nonconsenting and is subject to the penalties as provided for in §34-60-116(7), C.R.S. The nonconsenting working interest owner must reimburse the consenting owners for his proportionate share of the costs and risks of drilling and operating the Well from his proportionate share of production, subject to non-cost bearing interests, until costs and penalties are recovered as set forth in §34-60-116(7), C.R.S.

D. Providing that any unleased owner who does not elect to participate in the Well or fails to make a timely election is hereby deemed to be nonconsenting and is subject to the penalties as provided for in §34-60-116(7), C.R.S.

E. Providing that each nonconsenting unleased owner within the drilling and spacing unit shall be treated as the owner of the landowner's royalty to the extent of 12.5% of its record title interest, whatever that interest may be, until such time as the consenting owners recover, only out of each nonconsenting owner's proportionate 87.5% share of production, the costs specified in §34-60-116(7)(b), C.R.S., as amended. After recovery of such costs, each unleased nonconsenting mineral owner shall then own its proportionate 8/8ths share of the Well, surface facilities and production, and then be liable for its proportionate share of further costs incurred in connection with the Well as if it had originally agreed to the drilling.

F. Providing that the operator of the Wells drilled on the above-described drilling and spacing unit shall furnish the nonconsenting owners with a monthly statement of all costs incurred, together with the quantity of oil and gas produced, and the amount of proceeds realized from the sale of production during the preceding month.

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

DATED this 20th day of December, 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: Zach Ray
600 N. Dairy Ashford Road
Houston, TX 77079-1069

VERIFICATION

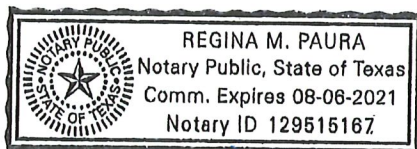
STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

Zach Ray, 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.

Zach Ray
Senior Landman
ConocoPhillips Company

Subscribed and sworn to before me this 19th day of December, 2018.

Witness my hand and official seal.



My commission expires: August 6, 2021

Notary Public

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RANGE 65 WEST, 6TH P.M., FOR THE
NIOBRARA FORMATION UNNAMED FIELD,
ADAMS COUNTY, COLORADO

TYPE: POOLING

CHARLOTTE LAWLESS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144023899
MY COMMISSION EXPIRES JUNE 16, 2022

**Exhibit
COPC - King 3-65 28-29**

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

ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX 77079

Davene King Schuh
7937 East Medlock Dr.
Scottsdale, AZ 85253

King & Co., a Colorado General
Partnership, as Nominee
7937 East Medlock Dr.
Scottsdale, AZ 85253

G. & D., Co., a Colorado General
Partnership, as Nominee
7938 East Medlock Dr.
Scottsdale, AZ 85254

Terrance G. King
4136 South Quatar Street
Aurora, CO 80018

Bull Moose Royalties, LLC
518 17th St.
Denver, CO 80202

The T & J Webster Family General
Partnership
3439 Shady Spring Ln.
Mountain View CA, 94040

Patricia W. Blakeslee, Trustee of the
Patricia W. Blakeslee Trust dated
January 17, 1998 as restated November
26, 2012
4811 Lawn Ave.
Western Springs, IL 60558

Richard A. Webster and Gail R.
Webster, as Trustees of the Webster
Family Trust under Agreement dated
November 7, 2011
PO Box 255
Glen Arbor, MI 49636

Robert W. Webster, Trustee under the
Robert W. Webster Declaration of Trust
dated May 9, 2000
11140 Edgebrook Ln.
Indian Head Park, IL 60525

Nancy C. Webster, Trustee under the
Nancy C. Webster Declaration of Trust
dated May 9, 2000
11140 Edgebrook Ln.
Indian Head Park, IL 60525

Twin Elms, LLC
7315 E. Orchard Rd.
Greenwood Village, CO 80111

Uncle Jim's LLC
1703 Willow Dr.
Sandusky, OH 44870

Bill L. Walters
27 Tide Watch
Newport Coast, CA 92657

City of Aurora, Colorado, a municipal
corporation
15151 East Alameda Pkwy.
Aurora, CO 80012

GVR King Commerical, LLC
250 Pilot Rd., Suite 140
Las Vegas, NV 89119

SJSA Investments, LLC
250 Pilot Rd., Suite 140
Las Vegas, NV 89119

Green Valley East, LLC
250 Pilot Rd., Suite 140
Las Vegas, NV 89119

Edward G. Gillet
1503 McDonough St.
Sandusky, OH 44870

John J. Gillett
1507 McDonough St.
Sandusky, OH 44870

James A. Gillett
APO 358, c/o Postmaster
San Francisco, CA 94101

Estates of Edward G. Gillet
1503 McDonough St.
Sandusky, OH 44870

Estates of John J. Gillett
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SPACING UNIT ESTABLISHED FOR SECTIONS)	
28 AND 29, TOWNSHIP 3 SOUTH, RANGE 65)	
WEST, 6 TH P.M., FOR THE NIOBRARA)	
FORMATION UNNAMED FIELD, ADAMS)	
COUNTY, COLORADO)	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Application and Notice of Hearing in the above-referenced docket were deposited in the U.S. mail on or before February 4th, 2019, 2019 postage pre-paid, to the interested parties listed on the attached Exhibit A.

DATED this 12th day of February 2019.



Sydney Nelson

Exhibit A
COPC FP – King 3-65 28-29

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

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