

May 1, 2012

Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203  
Attention: Mr. Thom Kerr

RE: GM 701-4 HN1  
Township 7 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 4: NE/4NE/4  
Grand Valley Field  
Garfield County, Colorado

Dear Mr. Kerr:

Enclosed please find Williams' Form 2 Application for Permit to Drill the subject well along with the necessary attachments.

WPX Energy Rocky Mountain, LLC, plans to drill a horizontal Niobrara well on federal lease COC24603. This is the same lease on which the Niobrara vertical well, GM 743-4 was drilled last year. WPX has submitted a drilling permit to the COGCC for approval of the GM 701-4 HN1 well. The proposed horizontal well will pass closer than 1200' to the existing GM 743-4 vertical Niobrara well, which would be in violation of COGCC Rule 318 (a).

WPX requests an exception location be granted. The reason for this variation is to conduct micro-seismic surveys with the two wells. The vertical well will be used as a monitoring well during the fracture stimulation of the horizontal wellbore. The micro-seismic surveys will gather data that will help establish the proper wellbore spacing for future horizontal wells in the Niobrara and Mancos. Companies that conduct micro-seismic surveys advise that the two wellbores be positioned close together to provide the best results for the survey.

Thank you and if you need further information please telephone me at (303) 606-4071.

Sincerely,



**Greg Davis**  
**WPX Energy Rocky Mountain, LLC**