



July 11, 2013

Mr. Matt Lepore, Director  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

RE: Request to Change Setback Rule  
GM 701-28-HN1 Well  
Township 6 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 28: NW/4NW/4 (aka Lot 4)  
Garfield County, Colorado

Mr. Lepore:

WPX Energy Rocky Mountain, LLC, the operator, ("WPX") has a permit to drill the following proposed Niobrara horizontal well to be located in Garfield County, Colorado:

**GM 701-28-HN1 (the "Well")**  
Township 6 South, Range 96 West, 6th P.M.  
Surface Location:  
Section 28: NW/4NW/4 -- 1314' FNL and 1035' FWL  
Bottom Hole Location:  
Section 21: NE/4NW/4 -- 535' FNL and 629' FWL

The Bottom Hole Target is also in Federal Lease COC-24099. The horizontal wellbore will enter in Federal Lease COC-24099 from the NW/4NW/4 of Section 28, into the SW/4SW/4 of Section 21 and continue into the NW/4NW/4 of Section 21. Plats are enclosed herewith for your reference.

WPX has previously drilled the Niobrara vertical well with a surface location and bottom hole location described as follows:

**GM 743-4 (the "Existing Well")**  
Township 7 South, Range 96 West, 6th P.M.  
Surface Location:  
Section 4: NE/4SE/4 -- 1710' FSL and 789' FEL  
Bottom Hole Location:  
Section 4: NE/4SE/4 -- 1432' FSL and 477' FEL

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Page 2

Results of completions in the GM 743-4 demonstrate that the Niobrara formation is very tight and effective hydraulic fracture stimulation does not extend to distance greater than one hundred twenty five (125) feet from the wellbore.

The COGCC Director is empowered to allow an exception to the Rule 318 (a) if it is not feasible for the operator to meet the minimum distance requirement and if the request for an exception is accompanied with a signed waiver from the offsetting surface owner. WPX has obtained a Waiver of Objection to Change Setback Rule from the offset mineral owner to waive any objection to the change in setback for the above described well, pursuant to Rule 318(c) and has received permission from the said offset mineral interest owner to conduct the drilling of the GM 701-28-HN1 well at the above described location.

WPX hereby proposes that the existing setback as stated in the Colorado Oil and Gas Conservation Commission Rule 318(a) of six hundred (600) feet from a lease line be changed to three hundred (300) feet from a lease line to allow more efficient reservoir drainage and to assure greater ultimate recovery of hydrocarbons without violating the correlative rights of offset mineral owners.

Please give consideration to WPX's request for a change in the setback for this well. Should you have any questions or concerns regarding this matter or need additional details concerning this well, please contact me at 303-606-4391.

Sincerely,

WPX ENERGY ROCKY MOUNTAIN, LLC



Melanie Faith, CPL  
Senior Landman

Enclosures