

BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
KERR-MCGEE OIL & GAS ONSHORE LP FOR)
AN ORDER POOLING ALL NONCONSENTING)
INTERESTS IN THE CODELL-NIOBRARA)
FORMATION IN AN ESTABLISHED 80-ACRE)
DRILLING AND SPACING UNIT LOCATED IN)
THE WATTENBERG FIELD, WELD COUNTY,)
COLORADO)

Cause No. _____

Docket No. _____

APPLICATION

Kerr-McGee Oil & Gas Onshore LP (referred to herein as “Applicant”), by and through its undersigned attorney, hereby submits this application to the Oil and Gas Conservation Commission of the State of Colorado (“COGCC”), for an order to pool all non-consenting interests for the drilling of wells in an 80-acre drilling and spacing unit in the Codell-Niobrara Formation in the W/2NE/4 of Section 24, Township 5 North, Range 66 West, 6th P.M., Weld County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. That the Applicant is a limited partnership duly authorized to conduct business in the State of Colorado.
2. That the Applicant owns certain leasehold interests in the unit requested for pooling.
3. That pursuant to COGCC Orders originally established in Cause No. 407, specifically Order Nos. 407-1 and 407-10, 80-acre drilling and spacing units for the Codell-Niobrara Formation were established, including the following described lands at issue in this Application. These lands are also subject to the provisions of Rule 318A of the Rules and Regulations of this Commission.

Township 5 North, Range 66 West, 6th P.M.
Section 24: W/2NE/4

4. Applicant proposes to drill the following wells within the 80-acre drilling and spacing unit described in paragraph 3 above as follows: SEGL 2-24, with a proposed bottomhole to be located 600’ FNL and 2130’ FEL and SEGL 7-24, with a proposed bottomhole to be located 2130’ FNL and 1850’ FEL as reflected on the approved APDs attached hereto as Exhibit B.

5. That some of the parties listed on Exhibit A hereto own separate leased mineral interests in the W/2NE/4 of Section 24 encompassed within the drilling and spacing unit, and such parties have been offered the option to participate in the drilling of these wells in the unit, but to date one or more of such parties have refused to participate by bearing their proportionate shares of the costs and risks of drilling or operating the wells. AFEs containing the information required by COGCC Rule 530.a. was sent regarding these wells more than thirty (30) days prior to the date of the hearing on this Application. A copy of an example of such AFEs and letters are attached hereto as Exhibit B.

6. Moreover, that with respect to any non-consenting owners of unleased mineral interests listed on Exhibit A, Applicant has made reasonable attempts pursuant to COGCC Rule 530.b. to enter into leases with such parties but has as of yet been unsuccessful in such attempts.

7. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owned by the nonconsenting parties listed on Exhibit A should be pooled in the Codell-Niobrara Formation in accordance with C.R.S. § 34-60-116 and Rule 530 of the COGCC.

8. That the names and addresses of the interested parties with respect to this Application are as set forth in Exhibit A hereto.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. That all leasehold working interest owners with whom Applicant has been unable to secure an agreement for the drilling of the proposed wells and all unleased mineral interests owners who refuse to execute a lease as described in paragraphs 4 and 5 be pooled involuntarily with respect to the Codell-Niobrara Formation wells, and that such owners be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the terms and penalties provided for therein.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 5th day of September, 2006.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By: _____

Michael J. Wozniak
BEATTY & WOZNIAK, P.C.
216 16th Street, Suite 1100
Denver, CO 80202
(303) 407-4499

Applicants' Address:

1999 Broadway, Suite 3700
Denver CO 80202

VERIFICATION

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

Joseph Lorenzo of lawful age, being first duly sworn upon oath, deposes and says that he is the Land Manager, DJ Basin for Kerr-McGee Oil & Gas Onshore LP 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.

Joseph Lorenzo

Subscribed and sworn to before this ____ day of September, 2006.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

EXHIBIT A

Interested Parties
SEGL 2-24 and SEGL 7-24

Dennis G. Branscum & Ruth J. Branscum 1238 - 52nd Avenue Greeley, Colorado 80634	Leased	Watson Family, LLP 20295 Weld Co Rd 66 Greeley, Colorado 80631	Leased
City of Greeley 1000 - 10th Street Greeley, Colorado 80631			
CNL Funding 2000-A LP P.O. Box 1671 Orlando, Florida 32802-1671			
The College Credit Union 2901 South 27th Avenue Greeley, Colorado 80631			
Colorado Department of Transportation 4201 E. Arkansas Denver, Colorado 80222			
Donbar & Son Realty LLC A Colorado Limited Liability Company 372 Blackhawk Lane Lafayette, CO 80026			
FRI Properties 7251 W. 20 th St., Bldg. D-1 Greeley, Colorado 80634	Leased		
Frontier Academy Facilities Corporation 2560 West 29th Street Greeley, Colorado 80631	Leased		
Richard A. Hanzel c/o Professional Hospitality 2418 Crossroads Drive, Ste. 3800 Madison, Wisconsin 53718-2429	Leased		
Hardy Credit Co c/o 84 Lumber Company 1019 Route 519 Eight Four, Pennsylvania 15330			
Heritage Inn of Greeley, Inc. c/o Tharaldson Lodging 1202 Westrac Drive Fargo, North Dakota 58730			
Kirk Family Trust 950 Logan Ct. Loveland, Colorado 80538	Leased		
William R. McDonough c/o Professional Hospitality 2418 Crossroads Drive, Ste. 3800 Madison, Wisconsin 53718-2429			
Tushar R. Patel & Piyush Patel 2467 West 29th Street Greeley, Colorado 80634			
Pioneer Press of Greeley, Inc. 2965 - 27th Avenue Greeley, Colorado 80631			
Rex Radio and Television, Inc. 2875 Needmore Road Dayton, Ohio 45414	Leased		