

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 J-SAND, CODELL AND)
NIOBRARA FORMATIONS IN THE)
WELLBORE SPACING UNIT LOCATED IN)
THE WATTENBERG FIELD, WELD COUNTY,)
COLORADO)

CAUSE NO. _____

Docket No. _____

APPLICATION

COMES NOW Kerr-McGee Oil & Gas Onshore LP (referred to herein as “Applicant”), by and through its undersigned attorneys, and makes 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 a well in the below described 160-acre wellbore spacing unit in the J-Sand, Codell and Niobrara Formations in Section 25, Township 4 North, Range 67 West, 6th P.M. Weld County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. Applicant is a limited partnership formed under the laws of the State of Delaware, is a wholly owned subsidiary of Anadarko Petroleum Corporation, and is duly authorized to conduct business in the State of Colorado.
2. Applicant owns certain leasehold interests in the unit requested for pooling.
3. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formation from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. The Application Lands are subject to this Rule, specifically Rule 318A.a.(4)(C) and 318A.e.(2), for the J-Sand, Codell and Niobrara Formations.
4. Applicant previously designated a 160-acre wellbore spacing unit for the Application Lands described below for the production of oil and associated hydrocarbons from the J-Sand, Codell and Niobrara Formations, pursuant to Rule 318A.e(2) and notified the appropriate parties under Rule 318A.e.(6). Applicant did not receive any objections within the 20-day response period to such 160-acre wellbore spacing unit designation and certified the same to the Commission.
5. Applicant, pursuant to the Commission’s Rule 530 and pursuant to the provisions of C.R.S. § 34-60-116 (6) and (7), seeks an order to pool all leasehold working interests in the following described 160-acre wellbore spacing unit, for the development and operation of the J-Sand, Codell and Niobrara Formations.

Township 4 North, Range 67 West, 6th P.M.

Section 25: E ½ NW¼, W ½NE¼

Hereinafter referred to as the “Application Lands”. The surface hole location is located in Section 25: NW¼ NW¼, Township 4 North, Range 67 West, 6th P.M.

6. Applicant requests that the COGCC force pooling order issued with respect to this Application be retroactive to the date of spudding of the well set forth in Section 7 of this Application.
7. Applicant proposes to drill the following Garcia 21-25 Well within the designated wellbore spacing unit described above. A plat is attached showing the permitted location. Applicant owns approximately a seventy-five percent (75%) working interest in the Garcia 21-25 Well.

8. The leasehold working interest owners listed in **bold type** on Exhibit A hereto own separate leased mineral interests in the Application Lands encompassed within the described 160-acre wellbore spacing unit, and such owners have been offered the option to participate in the drilling of the referenced well in the unit, but to date such owners have not elected to participate by bearing their proportionate shares of the costs and risks of drilling and operating the well. AFE's containing the information respecting this well required by COGCC Rule 530.a. was sent to these owners more than thirty (30) days prior to the date of the hearing on this Application.

9. With respect to the leasehold working interest owners listed in *italic type* on Exhibit A, they also own separate leased mineral interests in the Application Lands encompassed within the described 160-acre wellbore spacing unit. However, Applicant has been unable to obtain the addresses for the *italic type* leasehold working interest owners through its own internal records system and also through extensive outside searches. The unlocateable leasehold working interest owners listed in *italic type* collectively own approximately 6.5% working interest in the Garcia 21-25 Well.

10. With respect to all of the owners who have not elected to participate, 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 J-Sand, Codell and Niobrara Formations in accordance with C.R.S. §34-60-116 and Rule 530 of the COGCC.

11. Notice of this Application has been provided to those parties entitled to the same pursuant to Commission Rule 503.e., with the exception of the unlocateable parties listed in *italic type* on Exhibit A.

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 of the leasehold working interest owners listed on Exhibit A with whom Applicant has been unable to secure an agreement for the drilling of the proposed well as described in paragraph 7 be pooled involuntarily, 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. That the COGCC force pooling order issued will be retroactive to the date of spudding of the Garcia 21-25 Well.

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

DATED this ___ day of February, 2010.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By: _____
William Keefe
Jamie L. Jost
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:
1099 18th Street, Suite 1800
Denver, Colorado 80202
143471

VERIFICATION

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

_____, of lawful age, being first duly sworn upon oath, deposes and says that he is Agent and Attorney-in-Fact 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 my knowledge, information and belief.

_____, Agent and Attorney-in-Fact
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this ____ day of February, 2010.

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

EXHIBIT A
Interested Parties

Leasehold Working Interest Owners:

Working Interest Owners -
Codell/Niobrara

Petro-Canada Resources (USA), Inc.
999 18th St., Ste. 600
Denver, CO 80202

Greg R. McNeish and Susan May
McNeish, as Trustees under the Greg
R. McNeish and Susan May McNeish
Revocable Living Trust Agreement
dated May 30, 1991
Unknown

J.M. Golden, as Nominee for the
Children of Grace and Abe Golden
under Agreement dated December 15,
1992
Unknown

Grace Golden
Unknown

J.M. Golden and S.L. Golden, JT
Unknown

John D. Longwell
P.O. Box 338
Kittridge, CO 80457

Working Interest Owners - J Sand

Noble Energy, Inc.
1625 Broadway, Suite 2000
Denver, CO 80202

Royalty Owners:

Royalty Owners - Codell/Niobrara
Anadarko E&P Company LP
1099 18th St., Ste. 1800
Denver, CO 80202

Sandra Purse Hughes
Unknown

Benson Mineral Group, Inc.
1560 Broadway Ste. 1900
Denver, CO 80202

Scottsdale Ranches
Unknown

Arthur P. Garcia
13998 Weld County Road 378
Milliken, CO 80543

Patricia L. Miller
963 County Road 117
Glenwood Springs, CO 81601

Donald L. Moore
Unknown

Vicki L. Baier
11776 Weld County Road 42
Platteville, CO 80651

Kenneth A. Breitenbach
410 17th Street #1151
Denver, CO 80202

James D. Brownlie
475 17th Street, Ste 980
Denver, CO 80202

BWAB Incorporated
475 17th Street, Ste 1390
Denver, CO 80202

JPFP Family, LLC
P.O. Box 0051
Broomfield, CO 80038

Daniel and Yolanda Stout, JT
1860 Primrose Court
Johnstown, CO 80534

James and Kellie Gallagher, JT
Unknown

Ed Orr
1813 61st Ave., Ste. 200
Greeley, CO 80634

John R. Wallace
5930 S. Ogden Court
Littleton, CO 80121

OR

37 Martin Lane
Cherry Hills Village, CO 80113

Royalty Owners - J Sand
Anadarko E&P Company LP
1099 18th St., Ste. 1800
Denver, CO 80202

Sandra Purse Hughes
Unknown

Benson Mineral Group, Inc.
1560 Broadway Ste. 1900
Denver, CO 80202

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AFFIDAVIT OF MAILING

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

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Kerr-McGee Oil & Gas Onshore LP, that on or before February __, 2010, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Jamie L. Jost

Subscribed and sworn to before me February __, 2010.

Witness my hand and official seal.

My commission expires: _____.

Notary Public