

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 INTERESTS IN A)
320-ACRE DRILLING SPACING UNIT IN THE)
GREENHORN AND GRANEROS FORMATION)
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 Colorado Oil and Gas Conservation Commission ("Commission"), for an order to pool all interests within a 320-acre drilling and spacing unit for the drilling of a horizontal well to produce oil, gas, and associated hydrocarbons from the Greenhorn and Graneros Formations located in the S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 25, Township 3 North, Range 68 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; is duly authorized to conduct business in the State of Colorado; and is a registered operator in good standing with the Commission.

2. Applicant owns certain leasehold interests in the following lands requested for pooling:

Township 3 North, Range 68 West, 6th P.M.

Section 25: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Weld County, Colorado ("Application Lands").

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 allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. The lands encompassing the wellbore spacing unit are subject to this Rule for the Greenhorn and Graneros Formation.

4. Applicant is the 100% leasehold owner in the Greenhorn and Graneros Formation and has designated a 320-acre wellbore spacing unit for the S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 25, Township 3 North, Range 68 West, according to Rule 318A. Applicant has a pending Permit to Drill for the Carma 32G-25HZ Well within the designated 320-acre wellbore spacing unit.

5. Applicant plans to drill one (1) horizontal well on the Application Lands. The Carma 32G-25HZ Well ("Well") has a proposed surface hole location 2054' FSL and 470' FEL of Section 25, Township 3 North, Range 68 West and a proposed bottomhole location of 2320' FSL and 470' FWL of Section 25, Township 3 North, Range 68 West.

6. The surface location for the Well is located within an established drilling window pursuant to Commission Rule 318A.

7. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests in the Application Lands for the development of the Greenhorn and Graneros Formation including any nonconsenting interests therein.

8. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of a horizontal well to the Greenhorn and Graneros Formation on the Application Lands.

9. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2). The list of such interested parties is attached hereto as Exhibit A.

10. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Greenhorn and Graneros Formation, including any nonconsenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests in the Application Lands for the development of the Greenhorn and Graneros Formation.

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of a horizontal well to the Greenhorn and Graneros Formation on the Application Lands.

C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof.

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

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in December, 2011, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this ___ day of October, 2011.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By: _____

Kenneth Wonstolen
Elizabeth Y. Gallaway
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202

Applicant's Address:

Kerr-Mcgee Oil & Gas Onshore LP
ATTN: Brett Torina
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

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

Brett Torina, of lawful age, being first duly sworn upon oath, deposes and says that he is Landman 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.

Name: _____

Subscribed and sworn to before this ____ day of October, 2011.

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

EXHIBIT A
Interested Parties

Kerr-Mcgee Oil & Gas Onshore LP
1099 18th Street, Suite 1800
Denver, Colorado 80202

Carma Bayshore LLC, a Colorado limited liability company
188 Inverness Drive STE 150
Englewood, CO 80112

Woodbine Production Company
PO Box 1777
Kilgore, TX 75663-1777

Wagner Family Farm, LLP
13600 Weld County Road 11
Longmont, CO 80504

Bernice L. Bonde
2018 Ridgeview Drive
Longmont, CO 80504

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2800 Desert Zinnia Lane
Las Vegas, NV 89135

David R. Heil
13977 Weld County Road 5
Longmont, CO 80504

Michael H. Wagner
3499 Park Ridge Road
Mahtowa Minnesota 55707-8640

Joyce Lynn Wagner-Knight
12811 SW 35th Street
Topeka, KS 66614

Timothy S. Heil
PO Box 173
La Barge, WY 83123

Jamie Marie Heil
1225 Colorado Blvd., Apt 308
Denver, CO 80206

United Power, Inc.
500 Cooperative Way
Brighton, CO 80603

Timothy S. Heil, Trustee of the Trust for Toni Ranae Heil, created by the Last Will and Testament
of Dorothy A. Heil dated April 20, 2004
PO Box 173
La Barge, WY 83123

Christopher J. Wagner
13600 Weld County Road 11
Longmont, CO 80504

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AFFIDAVIT OF MAILING

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

Elizabeth Y. Gallaway 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 October ____, 2011, 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.

Elizabeth Y. Gallaway

Subscribed and sworn to before me October ____ 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public