

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 WORKING, )  
UNLEASED AND/OR NONCONSENTING )  
INTERESTS IN THE NIOBRARA AND CODELL )  
FORMATIONS IN THREE DESIGNATED )  
WELLBORE SPACING UNITS LOCATED IN )  
THE WATTENBERG FIELD, WELD COUNTY, )  
COLORADO )

Cause No. 407

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 involuntarily pool all interests within: (i) a 160-acre wellbore spacing unit for the drilling of the Marrs 2N-28HZ Well to produce oil, gas, and associated hydrocarbons from the Niobrara Formation located in Section 28, Township 1 North, Range 66 West, 6<sup>th</sup> P.M. Weld County, Colorado, (ii) a 320-acre wellbore spacing unit for the drilling of the Marrs 3N-28HZ Well to produce oil, gas, and associated hydrocarbons from the Niobrara Formation located in Section 28, Township 1 North, Range 66 West, 6<sup>th</sup> P.M. Weld County, Colorado, and (iii) a 320-acre wellbore spacing unit for the drilling of the Marrs 28C-28HZ Well to produce oil, gas, and associated hydrocarbons from the Codell Formation located in Section 28, Township 1 North, Range 66 West, 6<sup>th</sup> 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 interests in the following lands:

Township 1 North, Range 66 West, 6<sup>th</sup> P.M.

Section 28: W $\frac{1}{2}$ E $\frac{1}{2}$

(160-acre Wellbore Spacing Unit – Marrs 2N-28HZ)

Section 28: E $\frac{1}{2}$ W $\frac{1}{2}$ , W $\frac{1}{2}$ E $\frac{1}{2}$

(320-acre Wellbore Spacing Unit - Marrs 3N-28HZ Well)

Section 28: W $\frac{1}{2}$ E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$

(320-acre Wellbore Spacing Unit - Marrs 28C-28HZ Well)

Weld County, Colorado ("Application Lands").

The 160-acre Wellbore Spacing Unit and the two (2) 320-acre Wellbore Spacing Units may be referred to herein collectively as the "Wellbore Spacing Units."

3. On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Order No. 407-1 (amended on March 29, 2000 in accordance with Order No. 407-17, entered November 18, 1985), among other things, established 80-acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons from the Codell Formation underlying certain lands, including the Application Lands, with the drilling and spacing unit to be designated by the operator drilling the first well in the quarter section, (or the Director, if the operator fails to designate). The permitted well shall be located in the center of either 40-acre tract within the drilling and spacing unit with a tolerance of 200 feet in any direction. The operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit.

4. 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.

5. On April 28, 2011, Applicant filed the following three (3) applications seeking the establishment of three (3) wellbore spacing units for the following three (3) wells: (i) Marrs 28C-28HZ, Docket No. 1106-SP-62; (ii) Marrs 3N-28HZ, Docket No. 1106-SP-63; and (iii) Marrs 2N-28HZ, Docket No. 1106-SP-64, all of which are located on the Application Lands. These three applications are pending and are scheduled to be heard at the June 27, 2011 Commission hearing in Docket Nos. 1106-SP-62, 1106-SP-63, and 1106-SP-64, respectively.

6. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. § 34-60-116 (6) and (7), seeks an order to involuntarily pool all interests not voluntarily pooled (including working interests and unleased mineral interests, if any) in the Niobrara Formation underlying the following 160-acre wellbore spacing unit:

Township 1 North, Range 66 West, 6<sup>th</sup> P.M.  
Section 28: W $\frac{1}{2}$ E $\frac{1}{2}$

(referred to herein as the "160-acre Marrs 2N-28HZ Wellbore Spacing Unit").

7. Applicant proposes to drill the Marrs 2N-28HZ Well within the 160-acre Marrs 2N-28HZ Wellbore Spacing Unit with a surface location of 275' FSL and 1874' FEL of Section 28, Township 1 North, Range 66 West and a bottomhole location of 460'

FNL and 1980' FEL of Section 28, Township 1 North, Range 66 West. A well location certificate for the Marrs 2N-28HZ Well is attached hereto. Applicant holds an approved Application for Permit to Drill the Marrs 2N-28HZ Well.

8. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. § 34-60-116 (6) and (7), seeks an order to involuntarily pool all interests not voluntarily pooled (including working interests and unleased mineral interests, if any) in the Niobrara Formation underlying the following 320-acre wellbore spacing unit:

Township 1 North, Range 66 West, 6<sup>th</sup> P.M.  
Section 28: E $\frac{1}{2}$ W $\frac{1}{2}$ , W $\frac{1}{2}$ E $\frac{1}{2}$

(referred to herein as the "Marrs 3N-28HZ 320-acre Wellbore Spacing Unit").

8. Applicant proposes to drill the Marrs 3N-28HZ Well within the Marrs 3N-28HZ 320-acre Wellbore Spacing Unit with a surface location of 275' FSL and 1922' FEL of Section 28, Township 1 North, Range 66 West and a bottomhole location of 460' FNL and 2270' FWL of Section 28, Township 1 North, Range 66 West. A well location certificate for the Marrs 3N-28HZ Well is attached hereto. Applicant holds an approved Application for Permit to Drill the Marrs 3N-28HZ Well.

9. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. § 34-60-116 (6) and (7), seeks an order to involuntarily pool all interests not voluntarily pooled (including working interests and unleased mineral interests, if any) in the Codell Formation underlying the following 320-acre wellbore spacing unit:

Township 1 North, Range 66 West, 6<sup>th</sup> P.M.  
Section 28: W $\frac{1}{2}$ E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$

(referred to herein as the "Marrs 28C-28HZ 320-acre Wellbore Spacing Unit").

10. Applicant proposes to drill the Marrs 28C-28HZ Well within the Marrs 28C-28HZ 320-acre Wellbore Spacing Unit with a surface location of 275' FSL and 1898' FEL of Section 28, Township 1 North, Range 66 West and a bottomhole location of 460' FNL and 2480' FEL of Section 28, Township 1 North, Range 66 West. A well location certificate for the Marrs 28C-28HZ Well is attached hereto. Applicant holds an approved Application for Permit to Drill the Marrs 28C-28HZ Well.

11. Exhibit A attached hereto lists all consenting and/or not otherwise voluntarily pooled interest owners in the 320-acre drilling and spacing unit together with their addresses.

12. Applicant requests that the Commission's involuntary pooling order, all costs associated with the individual Marrs 2N-28HZ Well, the Marrs 3N-28HZ Well, and the Marrs 28C-28HZ Well, and the involuntary poolings issued with respect to this

Application be retroactive to the earliest date costs are incurred for the individual Marrs 2N-28HZ Well, the Marrs 3N-28HZ Well, and the Marrs 28C-28HZ Well as allowed by C.R.S. § 34-60-116(7), or the date of this Application, whichever is earlier.

13. Notice of this Application has been provided to those parties listed on Exhibit A attached 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 interest owners in the 320-acre drilling and spacing unit on the Application Lands, as listed on Exhibit A, which are not voluntarily pooled be involuntarily pooled pursuant to the terms provided for under C.R.S. § 34-60-116 and, further, made subject to the terms and penalties provided for therein.

B. That all interest owners in the Wellbore Spacing Units which are not voluntarily pooled in the Wellbore Spacing Units be involuntarily pooled.

C. Establishing that the Commission's involuntary pooling order, all costs associated with the individual Marrs 2N-28HZ Well, the Marrs 3N-28HZ Well, and the Marrs 28C-28HZ Well, and the involuntary poolings issued with respect to this Application be retroactive to the earliest date costs are incurred for the individual Marrs 2N-28HZ Well, the Marrs 3N-28HZ Well, and the Marrs 28C-28HZ Well as allowed by C.R.S. § 34-60-116(7), or the date of this Application, whichever is earlier.

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

DATED this \_\_ day of June, 2011.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By: \_\_\_\_\_  
Jamie L. Jost  
Elizabeth Y. Gallaway  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16<sup>th</sup> Street, Suite 1100  
Denver, Colorado 80202  
(303) 407-4499

Applicant's Address:  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80202

VERIFICATION

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

Matthew Miller, of lawful age, being first duly sworn upon oath, deposes and says that he is Land Manager 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.

\_\_\_\_\_  
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this \_\_\_\_ day of June, 2011.

Witness my hand and official seal.

[SEAL]

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**EXHIBIT A**  
**Interested Parties**

**Marrs 2N-28HZ Well (160-acre Wellbore Spacing Unit)**

**Working Interest Owners:**

Kerr-McGee Oil & Gas Onshore LP  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, CO 80202

**Royalty Owners:**

Max Edgar Moler  
636 North 13th Avenue  
Brighton, CO 80601

Ella K. Heitman  
18860 Weld County Road 31  
Platteville, CO 80651-8305

Kermit Dean Heitman  
15422 Weld County Road 6  
Fort Lupton, CO 80621

Joseph D. Archuleta  
14512 Weld County Road 6  
Fort Lupton, CO 80621

Clyde E. Roy and Carolyn S. Roy, Joint Tenants  
14951 East 112th Avenue  
Brighton, CO 80603

Tom Gray Elk Rael  
PO Box 184  
Brighton, CO 80601

Mary Demendonca  
PO Box 184  
Brighton, CO 80601

Marrs Land & Cattle, LLP  
2528 Weld County Road 19  
Ft Lupton, CO 80621

David A. Dreyer and Sandra E. Dreyer, Joint Tenants  
13639 County Road 4  
Brighton, CO 80601

Keith A. Buescher and Jane A. Buescher, Joint Tenants  
14301 County Road 4  
Brighton, CO 80603

**Marrs 3n-28hz Well (320-Acre Wellbore Spacing Unit)**

**Working Interest Owners:**

Kerr-McGee Oil & Gas Onshore LP  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, CO 80202

**Royalty Owners:**

Max Edgar Moler  
636 North 13th Avenue  
Brighton, CO 80601

Ella K. Heitman  
18860 Weld County Road 31  
Platteville, CO 80651-8305

Kermit Dean Heitman  
15422 Weld County Road 6  
Fort Lupton, CO 80621

Joseph D. Archuleta  
14512 Weld County Road 6  
Fort Lupton, CO 80621

Clyde E. Roy and Carolyn S. Roy, Joint Tenants  
14951 East 112th Avenue  
Brighton, CO 80603

Sammy D. Gordon and Peggy A. Gordon, Joint Tenants  
6235 Pierce Street  
Arvada, CO 80003

Boyd Collins and Rhondalee Collins, Tenants in Common  
1714 WCR 29  
Greeley, CO 80621

Charles Albert Betts  
P.O. Box 1387  
Pagosa Springs, CO 81147

Kenneth Earl Betts  
68 West Shore Road  
Bailey Island, ME 04003

Devises of the Estate Of Larry G. McCrery, Cynthia D. McCrery, Personal Representative  
825 County Club Road  
Fort Collins, CO 80524



Robert D. Oman and Ellen Oman, Joint Tenants  
P.O. Box 280  
Fort Lupton, CO 80621

Tom Gray Elk Rael  
Po Box 184  
Brighton, CO 80601

Mary Demendonca  
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13639 County Road 4  
Brighton, CO 80601

Keith A. Buescher and Jane A. Buescher, Joint Tenants  
14301 County Road 4  
Brighton, CO 80603

Rodney N Langley and Loretta L. Langley, Joint Tenants  
14012 WCR 2  
Fort Lupton, CO 80601

George B. Raner and Bonnie S. Raner, Joint Tenants  
P.O. Box 882683  
Steamboat Springs, CO 80488

Cathy Henke  
1632 WCR 29  
Greeley, CO 80602

John Farrer  
233 US Highway 85  
Brighton, CO 80603

**Marrs 28c-28hz Well (320-Acre Wellbore Spacing Unit)**

**Working Interest Owners:**

Kerr-McGee Oil & Gas Onshore LP  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, CO 80202

**Royalty Owners:**

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COLORADO )

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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 June \_\_\_\_, 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.

\_\_\_\_\_  
Jamie L. Jost

Subscribed and sworn to before me June \_\_\_\_ 2011.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public