

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

IN THE MATTER OF THE APPLICATION OF)
ANADARKO PETROLEUM CORPORATION)
FOR AN ORDER EXPANDING AN EXISTING)
DRILLING AND SPACING UNIT FOR THE)
NIOBRARA FORMATION CURRENTLY)
COVERING ALL OF SECTION 20 IN)
TOWNSHIP 12 NORTH, RANGE 63 WEST,)
6TH P.M. TO INCLUDE LOTS 1, 2 AND 3 OF)
SECTION 17 IN TOWNSHIP 12 NORTH,)
RANGE 63 WEST, 6TH P.M., WELD COUNTY,)
COLORADO)

Cause No. 421

Docket No. _____

APPLICATION

Anadarko Petroleum Corporation ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order expanding an existing drilling and spacing unit for the Niobrara Formation covering Section 20 in Township 12 North, Range 63 West, 6th P.M. established under the Commission's Order No. 421-3 to include an additional approximate 2.61 acres (hereinafter "Application Lands") described as follows:

Township 12 North, Range 63 West, 6th P.M.
Section 17: Lots 1, 2 and 3

Weld County, Colorado

In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant owns a leasehold interest in the Application Lands.
3. The Application Lands are subject to Commission Rule 318.a. which provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing.
4. On October 21, 2010 under Order No. 421-3, the Commission established Section 20 in Township 12 North, Range 63 West, 6th P.M. as an

approximate 640 acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation with no more than one (1) horizontal well to be drilled in such unit. The Application Lands are located directly north of Section 20 and constitute a small strip of lands on the Colorado/Wyoming state line (see plat attached as Exhibit B). Such Application Lands would be too small to establish as a separate drilling and spacing unit for the Niobrara Formation and it would be appropriate to include such lands as part of the drilling and spacing unit currently established for Section 20 (the total acres in such unit then would be increased from approximate 640 acres to 642.61 acres). Such approval further ordered that the surface location for each horizontal well shall be located anywhere within the unit, provided that the horizontal leg into the Niobrara Formation shall not be closer than 600 feet to the outside boundary of the drilling unit and the terminus of the horizontal leg shall not be any closer than 600 feet to the outside boundary of the drilling and spacing unit without exception being granted by the Director of the Oil and Gas Conservation Commission.

5. To promote efficient drainage within the Niobrara Formation of the expanded drilling unit which includes the Application Lands, to protect correlative rights and to avoid waste, the Commission should expand the existing drilling and spacing unit constituting Section 20 of Township 12 North, Range 63 West, 6th P.M. to include the Application Lands and to establish an expanded drilling and spacing unit of approximately 642.61 acres.

6. Niobrara Formation horizontal wells have been drilled, tested and completed upon lands in the vicinity of the Application Lands.

7. That the above-proposed expanded drilling and spacing unit will allow efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil and associated hydrocarbon substances from the reservoir. A drilling and spacing unit of the size specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed well in each such drilling and spacing unit.

8. The Applicant acknowledges that any proposed horizontal well to be drilled in the expanded drilling and spacing unit shall have initial penetration of the Niobrara Formation and an ultimate bottomhole location no closer than 600' from the boundaries of the drilling and spacing unit.

10. That the Applicant requests that the Commission take administrative notice of the testimony and exhibits in support of the application in Docket 1010-SP-28.

11. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

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

Dated this ____ day of December, 2010.

Respectfully submitted,

ANADARKO PETROLEUM CORPORATION

By: _____
William A. Keefe
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, CO 80202

VERIFICATION

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

Patrick McGraw, Landman with Anadarko Petroleum Corporation, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

ANADARKO PETROLEUM CORPORATION

Patrick McGraw, Landman

Subscribed and sworn to before me this _____ day of December, 2010 by
Patrick McGraw, Landman for Anadarko Petroleum Corporation.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

INTERESTED PARTIES

Anadarko E&P Company LP / Anadarko Land Corp.
P.O. Box 173779
Denver, CO 80217-3779

Cox Ranches, LLC
P.O. Box 47
Cheyenne, WY 82003

EOG Resources, Inc.
600 17th Street, Suite 1100
Denver, CO 80202

The Nature Conservancy
2424 Spruce Street
Boulder, CO 80302

Union Pacific Railroad
1400 Douglass Street
Omaha, NE 68179

Celia Greenman
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

Kent Kuster
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Bruce T. Barker
Weld County
P.O. Box 758
Greeley, CO 80632

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AFFIDAVIT OF MAILING

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

William A. Keefe, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Anadarko Petroleum Corporation and that on or before December ___, 2010, he 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.

William A. Keefe

Subscribed and sworn to before me December ___, 2010.

Witness my hand and official seal.

My commission expires: _____.

Notary Public