

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)
AND/OR NONCONSENTING INTERESTS IN)
THE CODELL AND NIOBRARA FORMATIONS)
IN A DESIGNATED 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 Colorado Oil and Gas Conservation Commission ("Commission"), for an order to pool all interests within a designated wellbore spacing unit for the drilling of a well to produce oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations located in Section 19, Township 6 North, Range 64 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 following lands:

Township 6 North, Range 64 West, 6th P.M.
Section 19: SW $\frac{1}{4}$

Weld County, Colorado ("Application Lands").

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. The lands encompassing the wellbore spacing unit are subject to this Rule for the Codell and Niobrara Formations.

5. Applicant designated a 160-acre wellbore spacing unit, as described below, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations pursuant to Rule 318A and notified the appropriate parties under Rule 318A.e. Applicant did not receive any objections to the establishment of the proposed 160-acre wellbore spacing unit within the 20-day response period. Applicant hereby certifies to the Commission that it has not received any objections to the well location, proposed spacing unit or proposed formations. Applicant holds an approved Application for Permit to Drill for the Roth 19-19 Well within the designated 160-acre wellbore spacing unit.

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) in the Codell and Niobrara Formations underlying the following described 160-acre wellbore spacing unit:

Township 6 North, Range 64 West, 6th P.M.
Section 19: E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

(referred to herein as the "Wellbore Spacing Unit").

7. Applicant directionally drilled the Roth 23-19 Well (hereinafter the "Wellbore Spacing Unit Well") within the designated Wellbore Spacing Unit with a surface location of 1932' FSL and 1768' FWL of Section 19, Township 6 North, Range 64 West, and a bottomhole location of 1400' FSL and 2350' FWL of Section 19, Township 6 North, Range 64 West. The Wellbore Spacing Unit Well was spud on February 20, 2011. A well location certificate for the Roth 23-19 Well is attached hereto.

8. Exhibit A attached hereto lists working interest owners and royalty interest owners for the Wellbore Spacing Unit together with their addresses. All working interest owners (not otherwise voluntarily pooled) have been offered the opportunity to voluntarily participate in the drilling of the Wellbore Spacing Unit Well. As applicable, to date, however, not all of such working interest owners have elected to participate by agreeing to bear their respective proportionate shares of the costs and risks of drilling, completing and operating the well. AFE's containing the information respecting this well required by Commission Rule 530.b. were sent to these working interest owners more than thirty (30) days prior to the date of the hearing on this application.

9. Applicant requests that the Commission's involuntary pooling order, and all costs associated with the Roth 23-19 Well and this involuntary pooling, issued with respect to this Application be retroactive to the earliest date costs are incurred for the Roth 23-19 Well as allowed by C.R.S. § 34-60-116(7), or the date of this Application, whichever is earlier.

10. 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. Pooling involuntarily all of the working interest owners listed on Exhibit A with whom Applicant has been unable to secure an agreement for the drilling of the Wellbore Spacing Unit Well and establishing that such working interest owners be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the all of the terms, costs, and penalties provided for therein.

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

C. Establishing that the Commission's involuntary pooling order, and all costs associated with the Roth 23-19 Well and this involuntary pooling, issued with respect to this Application be retroactive to the earliest date costs are incurred for the Roth 23-19 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 March, 2011.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By: _____

Jamie L. Jost
Elizabeth Y. Gallaway
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

VERIFICATION

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

Matthew T. Miller, 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 March, 2011.

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

EXHIBIT A
Interested Parties

Working Interest Owners:

Monago Operating, Inc. (Non-consenting)
12 Dos Rios
Greeley, CO 80634

Resource Management (Non-consenting)
433 2nd Street, Suite 103
Woodland, CA 95695

Tower Energy Corporation (Non-consenting) 1050 17th
Street, Suite 2400
Denver, CO 80202

Sunshine Valley Petroleum Corporation (Non-
consenting)
950 Stafford Street
Casper, WY 82609

Edward A. Holloway (Non-consenting)
3892 Tayside Court
Timnath, CO 80547

Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779

Matrix Energy, LLC
P.O. Box 271309
Fort Collins, CO 80527

Noble Energy, Inc. (Elected Non-consent)
1625 Broadway, Suite 2200
Denver, CO 80202

Jack L. Schreiber
2155 Glenfair Drive
Greeley, CO 80631

Lori Folkers
1007 N. Broadway
Crookston, MN 56716

Kerri Kowalski
P.O. Box 130
Midwest, WY 82643

Rick Pickering
P.O. Box 415
Edgerton, WY 82635

Royalty Interest Owners:

Gerald Lee Roth
32100 WCR 49
Greeley, Co 80631

Janet Marie Roth
32100 WCR 49
Greeley, Co 80631

Helen D. Winter
c/o Jerald B. Winter, Power-of-Attorney
37452 WCR 41
Eaton, CO 80615-9007

Richard D. Winter
24959 County Road 66
Greeley, CO 80631

Linda Rae Winter
24959 County Road 66
Greeley, CO 80631

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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 March ____, 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 March ____ 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public