

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)
DESIGNATED WELLBORE SPACING UNITS)
IN THE NIOBRARA AND/OR CODELL)
FORMATIONS 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 designated wellbore spacing units (as described below) established under Rule 318A, as amended, for the drilling of five (5) horizontal wells to produce oil, gas, and associated hydrocarbons from the Niobrara and/or Codell Formations located in the E½ of Section 26, Township 3 North, Range 66 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 26: E½

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.

5. On August 8, 2011, the Commission amended Rule 318A to allow for the drilling of horizontal wells within the GWA area and the designation of horizontal well wellbore spacing units pursuant to Rule 318A(4).D. The amended Rule 318A was effective on September 30, 2011. The Application Lands and the designated wellbore spacing units are subject to this Rule for the Niobrara and/or Codell Formations.

6. Applicant is the 100% leasehold owner in the Niobrara and Codell Formations in the designated wellbore spacing units (described below) pursuant to Rule 318A, as amended. Applicant is in the process of submitting the Applications for Permit to Drill for the Camp 36N-26HZ Well, the Camp 15N-26HZ Well, the Camp 37N-26HZ Well, the Camp 38N-26HZ Well, and the Camp 28C-26HZ Well. Each APD describes the designated horizontal wellbore spacing units.

7. Applicant plans to drill the five (5) horizontal wells described below on the Application Lands (hereinafter collectively referred to as "Camp Wells"). Well Location Certificates for each well are attached hereto.

A. Applicant seeks an order to pool all interests in the Niobrara Formation underlying the following proposed 320-acre wellbore spacing unit for the Camp 36N-26HZ Well:

Township 3 North, Range 68 West, 6th P.M
Section 26: W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

The Camp 36N-26HZ Well has a proposed surface hole location 667' FNL and 733' FEL of Section 26, Township 3 North, Range 66 West and a proposed bottomhole location of 460' FSL and 2260' FEL of Section 26, Township 3 North, Range 66 West.

B. Applicant seeks an order to pool all interests in the Niobrara Formation underlying the following proposed 320-acre wellbore spacing unit for the Camp 15N-26HZ Well:

Township 3 North, Range 68 West, 6th P.M
Section 26: E $\frac{1}{2}$

The Camp 15N-26HZ Well has a proposed surface hole location 677' FNL and 715' FEL of Section 26, Township 3 North, Range 66 West and a proposed bottomhole location of 460' FSL and 1530' FEL of Section 26, Township 3 North, Range 66 West. The target formation is the Niobrara Formation for the Camp 15N-26HZ.

C. Applicant seeks an order to pool all interests in the Niobrara Formation underlying the following proposed 320-acre wellbore spacing unit for the Camp 37N-26HZ Well:

Township 3 North, Range 68 West, 6th P.M
Section 26: E $\frac{1}{2}$

The Camp 37N-26HZ Well has a proposed surface hole location 667' FNL and 696' FEL of Section 26, Township 3 North, Range 66 West and a proposed bottomhole location of 460' FSL and 865' FEL of Section 26, Township 3 North, Range 66 West.

D. Applicant seeks an order to pool all interests in the Niobrara Formation underlying the following proposed 320-acre wellbore spacing unit for the Camp 38N-26HZ Well:

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

Section 25: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 26: E $\frac{1}{2}$ E $\frac{1}{2}$

The Camp 38N-26HZ Well has a proposed surface hole location 677' FNL and 677' FEL of Section 26, Township 3 North, Range 66 West and a proposed bottomhole location of 460' FSL and 166' FEL of Section 26, Township 3 North, Range 66 West.

E. Applicant seeks an order to pool all interests in the Codell Formation underlying the following proposed 320-acre wellbore spacing unit for the Camp 38C-26HZ Well:

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

Section 25: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 26: E $\frac{1}{2}$ E $\frac{1}{2}$.

The Camp 38C-26HZ Well has a proposed surface hole location 667' FNL and 658' FEL of Section 26, Township 3 North, Range 66 West and a proposed bottomhole location of 460' FSL and 85' FEL of Section 26, Township 3 North, Range 66 West.

8. The surface locations for the Camp Wells are located within an established drilling window pursuant to Rule 318A.

9. 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 Niobrara and/or Codell Formations, including any nonconsenting interests therein.

10. Applicant requests that the Commission's pooling order be made effective as of the earlier of (i) the date of this Application, or (ii) the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of each of the Camp Wells to the Niobrara and/or Codell Formations on the Application Lands.

11. 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.

12. 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 Niobrara and/or Codell Formations, 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, and the five (5) designated 320-acre wellbore spacing units, for the development of the Niobrara and/or Codell Formations.

B. Providing that the Commission's pooling order is made effective as of the earlier of (i) the date of this Application, or (ii) the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of each of the Camp Wells to the Niobrara and/or Codell Formations 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 January, 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 November, 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

Applicant's Address:

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

VERIFICATION

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

Dave Sullivan, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior 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.

Dave Sullivan, Senior Landman

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

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

EXHIBIT A
Interested Parties

Anadarko Land Corp., subject to leasehold
rights held by Anadarko E & P Company LP
1099 18th Street, Suite 1800
Denver, Colorado 80202

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

Anadarko Land Corp.
Dave Sullivan
1099 18th Street, Suite 1800
Denver, CO 80202

MRJ Camp Holdings, LLLP
PO Box 127
Platteville, CO 80651

Phyllis Edith Camp Nelson
1454 Red Fox Circle
Windsor, CO 80550

The Pat N. New Family Trust,
Mark A. and Patricia B. New
900 SW 13th Ave, Suite 210
Portland, OR 97205

Robert L. Weil Trust FBO Linda M. Detweiler
Colorado State Bank and Trust, N. A.
1600 Broadway
Denver, CO 80202

Robert L. Weil Trust FBO Ronald L. Weil
AMG National Trust
6501 Belleview Ave., Ste 400
Englewood, CO 80111-6020

Robert L. Weil Trust FBO Richard F. Weil
507 Canyon Blvd.
Boulder, CO 80302

John V. Shields, Jr., and Jayne E.
Shields, joint tenants
913 3rd St.
Eaton, CO 80615

Hugh E. Shields
18980 County Road 87
Wiggins, CO 80649

Eirene M. Max Family Trust
1009 Grant Street Suite 150
Denver, CO 80203

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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 November ____, 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 November ____, 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public