

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 WELLBORE SPACING UNIT FOR )  
THE NIOBRARA FORMATION LOCATED IN )  
W $\frac{1}{2}$ W $\frac{1}{2}$  OF SECTION 28 AND THE E $\frac{1}{2}$ E $\frac{1}{2}$  OF )  
SECTION 29, TOWNSHIP 3 NORTH, RANGE )  
65 WEST, 6<sup>TH</sup> P.M, 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 for the development of the Niobrara Formation on the following described 320-acre wellbore spacing unit:

Township 3 North, Range 65 West, 6<sup>th</sup> P.M.

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

Section 29: E $\frac{1}{2}$ E $\frac{1}{2}$

Weld County, Colorado

(hereinafter, the "Application Lands").

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 Application lands requested for pooling.
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.
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 Niobrara Formation.

5. Applicant designated a 320-acre Wellbore Spacing Unit, as defined below, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.

6. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) seeks an order pooling all interests for the development of the Niobrara Formation, including any nonconsenting interests therein, for the Wardell 26N-29HZ Well (the "Well"). The Well has a proposed surface hole location of 1251' FEL and 370' FSL of Section 29, Township 3 North, Range 65 West and a proposed bottomhole location of 285' FEL and 460' FNL of Section 29, Township 3 North, Range 65 West. Applicant is the 75% leasehold owner in the Niobrara Formation in the following described 320-acre wellbore spacing unit:

Township 3 North, Range 65 West, 6<sup>th</sup> P.M.  
Section 28: W $\frac{1}{2}$ W $\frac{1}{2}$   
Section 29: E $\frac{1}{2}$ E $\frac{1}{2}$

Weld County, Colorado

(hereinafter, the "Wellbore Spacing Unit").

Said order to apply to the currently-allowed well and any subsequent well drilled in the Wellbore Spacing Unit.

7. 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 the Well to the Niobrara Formation on the Application Lands.

8. 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.

9. 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 Formation, as applicable, 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 for the development of the Niobrara Formation for the 320-acre Wellbore Spacing Unit, including any nonconsenting interests therein, for the currently-allowed Well and all subsequent wells drilled to said formations.

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 any well in the Wellbore Spacing Unit to the Niobrara Formation.

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 horizontal well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), with respect to all wells drilled to develop the Niobrara Formation in the Wellbore Spacing Unit on the Application Lands.

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 March, 2012, 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 February, 2012.

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: Gordon Palmer  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80202

VERIFICATION

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

Gordon R. Palmer, of lawful age, being first duly sworn upon oath, deposes and says that he is a Staff 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.

\_\_\_\_\_  
Title: Staff Landman  
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this \_\_\_\_ day of February, 2012.

Witness my hand and official seal.

[SEAL]

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

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

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

GORDON PALMER  
KERR-MCGEE OIL & GAS ONSHORE  
LP  
1099 18TH STREET, SUITE 1800  
DENVER, CO 80202

DON MCENDAFFER  
1155 S. SAINT VRAIN AVE, #3-6  
ESTES PARK, CO 80517-5449

JOSEPH F. ZUFALL AND LAVETA A.  
ZUFALL, JT  
PO BOX 62  
DOUGLAS, WY 82633-0062

KEITH E. KEY  
7930 WEST FAIRVIEW AVENUE  
LITTLETON, CO 80128-8259

DANIEL T. MOYLE, JR., P.C. AND  
DANIEL T. MOYLE, JR  
4250 SOUTH ASPEN LANE  
EVERGREEN, CO 80439

JOHN G. BRANT  
PO BOX 46063  
DENVER, CO 80201

JOHN G. BRANT, JR.  
9 RED BIRCH  
LITTLETON, CO 80127

CHARLES S. BRANT  
PO BOX 46063  
DENVER, CO 80201

ESTHER LORENZ AND KAY L.  
JOHNSON AS CONSERVATORS OF  
THE ESTATE OF ALBERT D. LORENZ,  
A PROTECTED PERSON  
ADDRESS UNKNOWN

TOC ROCKY MOUNTAINS, INC.  
501 WESTLAKE PARK BLVD.  
HOUSTON, TX 77079

NORMA J. MALMBORG  
5008 HOY ROAD  
CHEYENNE, WY 82009

WILLIAM H. LORENZ  
4050 WYOMING STATE HIGHWAY 158  
TORRINGTON, WY 82240

MICHAEL P. LORENZ  
ATTN: KATHLEEN LORENZ  
PO BOX 1863  
LIHUE KAUAI, HI 96766

THE ESTATE OF JAMES F. LORENZ  
ATTN: LOUISE HELEN LORENZ  
626 NORTH WABASH  
GLENORA, CA 91741

JILL C. HOLMES  
2558 S DILLON ST  
AURORA, CO 80014

DANIEL G. LORENZ  
903 NE 127TH STREET  
PORTLAND, OR 97230

CAROL J. BUTTERFIELD  
18192 MORGAN COUNTY RD 17 3/10  
FORT MORGAN, CO 80701

RICHARD L. HYDE  
105 MORNINGSIDE DRIVE  
GREER, SC 29651

LAURETTA M. GRAY  
68 SE 15TH AVENUE  
TRENTON, MO 64683

JODI L. DANIELS  
312 SW WALLULA AVENUE  
GRESHAM, OR 97080

NANCY D. ADLER  
4008 BOXELDER  
LOVELAND, CO 80538

SANDRA L. DOLL  
1958 BALSAM AVENUE  
GREELEY, CO 80631

NORMAN A. MOSER, DECEASED  
STAR ROUTE, BOX 105C  
HUDSON, CO 80642

NELLIE A. GLENN, LIFE ESTATE  
ADDRESS UNKNOWN

MIKE & JIM KRUSE PARTNERSHIP, A  
COLORADO PARTNERSHIP, AS TO  
THE REMAINDER  
72 CASCADE AVENUE  
ALAMOSA, CO 81101

NOBLE ENERGY, INC.  
1625 BROADWAY, SUITE 2200  
DENVER, CO 80202

JACK R. SLAPPER  
2513 STONEWALL LANE  
FORT WORTH, TX 76123

SHIRLEY A. WEST  
2686 PARK COURT  
LOVELAND, CO 80538

BARBARA J. SCOFIELD  
5601 WEST 18TH STREET #49  
GREELEY, CO 80634

DENNIS W. GRAY  
9103 W. 131<sup>ST</sup> PLACE  
OVERLAND PARK, KS 66213

ERVIN DALE GRAY  
59275 SHELBY ROAD  
MILAN, MO 63556

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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 February \_\_\_\_, 2012, 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 February \_\_\_\_ 2012.

Witness my hand and official seal.

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

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