

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 CODELL FORMATION LOCATED IN THE)
E $\frac{1}{2}$ W $\frac{1}{2}$ AND W $\frac{1}{2}$ E $\frac{1}{2}$ OF SECTION 26,)
TOWNSHIP 2 NORTH, RANGE 65 WEST, 6TH)
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 Codell Formation on the following described 320-acre wellbore spacing unit:

Township 2 North, Range 65 West
Section 26: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ 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 Formation 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 Codell Formation.

5. Applicant designated a 320-acre Wellbore Spacing Unit, as defined below, for the production of oil, gas, and associated hydrocarbons from the Codell 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 Codell Formation, including any nonconsenting interests therein, for the Hudson 3C-26HZ Well (the "Well"). The Well has a proposed surface hole location of 300' FSL and 2147' FWL of Section 26, Township 2 North, Range 65 West and a proposed bottomhole location of 460' FNL and 2212' FWL of Section 26, Township 2 North, Range 65 West. Applicant is the 75% leasehold owner in the Codell Formation in the following described 320-acre wellbore spacing unit:

Township 2 North, Range 65 West
Section 26: E½W½, W½E½

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 Codell 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 Codell 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 Codell Formation, 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 Codell 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 Codell 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 18th 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

CARL E SPENCER TRUST
BOX 553
CHEYENNE WELLS, CO 80810

CHARLES E ORWIG
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EVERGREEN, CO 80439

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DENVER, CO 80207

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SEMINOLE, FL 33777

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22 BLUE HERON DR
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2030 EAST 68TH AVENUE
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FRANCES N COLEMAN
2221 SOUTH LOWELL BLVD
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SURPRISE, AZ 85374

JANICE M SPENCER TRUST
BOX 553
CHEYENNE WELLS, CO 80810

THE ESTATE OF JOHN B VILLANO C/O GLENN
GREGORY ATTY
1875 LAWRENCE ST # 540
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WESTMINSTER, CO 80031-3675

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JULESBURG, CO 80737

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PARKER, CO 80138-8564

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MONUMENT, CO 80132

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WINDSOR, CO 80550

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BROOMFIELD, CO 80021

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BOX ELDER, SD 57719

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CARLSON OIL & GAS, INC.
ATTN: JOSEPH TONSO
941 SCHOOL STREET
CRAIG, CO 81625-2447

BENEDICT H. BRAUCH
2312 WEST 118TH AVE
DENVER, CO 80234

CATHEY FAMILY LIVING TRUST DATED 1/16/02
22923 STRATHMERE COURT
KATY, TX 77450-1482

SCOTT P. DIAMOND
45 ASH STREET
DENVER, CO 80220-5616

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LITTLETON, CO 80123

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8949 HANGING TREE DRIVE
SALIDA, CO 81201

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ARVADA, CO 80007

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653 FAIRWOOD FOREST DR.
CLEARWATER, FL 33716

KOCH EXPLORATION COMPANY, LLC
P.O. BOX 2219
WICHITA, KANSAS 67201

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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