

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 )  
160-ACRE WELLBORE SPACING UNIT FOR )  
THE CODELL, NIOBRARA, AND J SAND )  
FORMATIONS LOCATED IN SECTIONS 3 )  
AND 10, TOWNSHIP 2 NORTH, RANGE 67 )  
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 in a 160-acre wellbore spacing unit for the drilling of a the Strear 29-10 Well ("Well"), to produce oil, gas, and associated hydrocarbons from the Codell, Niobrara and J Sand Formations, located in the following-described lands:

Township 2 North, Range 67 West, 6<sup>th</sup> P.M.

Section 3: S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 10: N $\frac{1}{2}$ NW $\frac{1}{4}$

Weld County, Colorado (hereafter "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 lands requested for pooling.
3. On October 19, 1981, the Commission issued Order No. 232-23 which, among other things, established 320-acre drilling and spacing units for the production of gas and associated hydrocarbons from the J Sand Formation underlying certain lands, including the Application Lands, and allowed up to two (2) wells to be drilled within each 320-acre drilling and spacing unit.
4. 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.
5. On June 27, 2011, the Commission issued Order No. 407-733, which among other things, approved a variance from Rule 318A.f. to authorize a total of up to ten producing

completions for a portion of the Application Lands, for the production of gas and associated hydrocarbons from the Codell, Niobrara and "J" Sand Formations.

6. 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 Application Lands are subject to this Rule for the Codell, Niobrara and J Sand Formations.

7. Applicant designated a 160-acre wellbore spacing unit, as defined below, for the production of oil, gas, and associated hydrocarbons from the Codell, Niobrara and J Sand Formations, pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.

8. 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 pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands for the Codell, Niobrara, and J Sand Formations underlying the following designated 160-acre Wellbore Spacing Unit:

Township 2 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 3: S $\frac{1}{2}$ SW $\frac{1}{4}$   
Section 10: N $\frac{1}{2}$ NW $\frac{1}{4}$

("Wellbore Spacing Unit").

9. 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 horizontal Well.

10. 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.

11. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and Wellbore Spacing Unit should be pooled for the orderly development of the Codell, Niobrara, and J Sand 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 Wellbore Spacing Unit for the development of the Codell, Niobrara and J Sand Formations, including any nonconsenting interests therein.

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 the Well to the Codell, Niobrara and J Sand 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 with respect to the Codell, Niobrara and J Sand Formations in the 160-acre Wellbore Spacing Unit comprised of 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 May, 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 March, 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: Jason Rayburn  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80202

VERIFICATION

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

Jason Rayburn, of lawful age, being first duly sworn upon oath, deposes and says that he is a 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.

\_\_\_\_\_  
Landman  
Kerr-McGee Oil & Gas Onshore LP

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

Witness my hand and official seal.

[SEAL]

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

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

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

MERIT ENERGY PARTNERS III LP  
13727 NOEL ROAD, SUITE 500  
DALLAS, TX 75240

MERIT MANAGEMENT PARTNERS LP  
13727 NOEL ROAD, SUITE 500  
DALLAS, TX 75240

NOBLE ENERGY, INC.  
ATTN: LIBBY ECORD  
1625 BROADWAY, SUITE 2200  
DENVER, CO 80202

NANCY E BROWN  
2808 BENT AVENUE  
CHEYENNE, WY 82001

ROBERT B BROWN  
1038 EAST BRYAN AVENUE  
SALT LAKE CITY, UT 84105-2402

RICHARD CLARKE EDWARDS  
2054 PAYNE STEWART DR  
TITUSVILLE, FL 32796

PATRICIA ANN JONES  
ALSO KNOWN AS PATRICIA A JONES  
9971 PINE HURST DRIVE  
SANDY, UT 84092-3740

MARY B LAPOINT  
AKA MARY B LAPOINTE  
1719 VISCOUNTI DRIVE  
SANDY, UT 84093-6315

STREAR FARMS COMPANY  
A COLORADO CORPORATION  
6825 EAST TENNESSEE # 235  
DENVER, CO 80224-1606

2004 PATTERSON FAMILY REV TRUST  
785 EL PINTADO RD  
DANVILLE, CA 94526

JOHN DAVID JOHNSON AND JUDITH NIX  
JOHNSON REVOCABLE TRUST  
1308 OTTER LANE  
LAS CRUCES, NM 88001

CONNIE A & DONALD F EDWARDS, DEBTOR  
CYNTHIA SKEEN, TSTE, 10-15094-SBB  
MARIA J FLORA, PC  
1763 FRANKLIN ST  
DENVER, CO 80218

ROBERT & MARY NEHRIG JT  
9467 WELD COUNTY ROAD 24  
FT LUPTON, CO 80621

ROBIN GOLDEN  
2431 EAGLEVIEW CIRCLE  
LONGMONT, CO 80504

DOUGLAS & MARY KAY HONOUR  
490 LEWIS DR #36  
CANADA, INT V2J 5W2  
JOHNATHAN & RENEAY GRILL  
9145 WELD COUNTY ROAD 24  
FORT LUPTON, CO 80621

JEFFERY PARISH  
11142 WELD COUNTY ROSD 19  
FORT LUPTON, CO 80621

ROY & DEBORA SPITZER TC  
9179 WELD COUNTY ROAD 24  
FORT LUPTON, CO 80621

CHARLA HOLLLOWELL  
9251 WCR 24  
FORT LUPTON, CO 80621

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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 March\_\_\_\_, 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.

\_\_\_\_\_  
Elizabeth Y. Gallaway

Subscribed and sworn to before me March \_\_\_\_, 2012.

Witness my hand and official seal.

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

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