

BEFORE THE OIL & GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF )  
KERR-MCGEE OIL & GAS ONSHORE LP'S )  
REQUEST FOR HEARING PURSUANT TO )  
ORDER NO. 1R-113 AND RULE 318A(I).e.(6) )

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 a hearing at the May 29, 2012 Commission hearing date as allowed by Order No. 1R-113 and Commission Rule 318A(I).e.(6) to address Encana Oil & Gas (USA) Inc.'s (referred to herein as "Encana") objections to six (6) wells proposed by Applicant pursuant to Rule 318A(I).e.

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 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, with the permitted well locations in accordance with the provisions of Order No. 407-1.
4. On August 8, 2011, Rule 318A was amended to allow, among other things, horizontal wellbore spacing units to be established on unspaced lands within the Greater Wattenberg Area pursuant to certain notice and hearing procedures. Rule 318A further established an objection and hearing procedure for wells proposed by operators pursuant to Rule 318A(I).e.(6)(C). The Rule 318A amendment was effective on September 30, 2011 pursuant to Order No. 1R-113.
5. On February 21, 2012, pursuant to Rule 318A(I).e., Kerr-McGee proposed the following six (6) horizontal wells and the corresponding wellbore spacing units for the development of the Niobrara and Codell Formations to Encana, and other working interest owners:
  - a. Van Portfliet 36N-3HZ Well;
  - b. Van Portfliet 38N-10HZ Well;
  - c. Cook 36N-3HZ Well;
  - d. Cook 37C-3HZ Well;
  - e. Cook 37N-E3HZ Well; and
  - f. Cook 37N-W3HZ Well.

Kerr-McGee's Rule 318A(I).e.(6) designation notices and Encana's Rule 318A(I).e.(6)(B) objections are attached hereto and incorporated herein as Exhibits A-F, respective as to the aforementioned list of wells. Each Exhibit describes the well location, wellbore spacing unit, and target formation for each well subject to this Application.

6. On March 23, 2012, Encana submitted its objection to the six (6) aforementioned wells to Kerr-McGee on the allegation that the proposed horizontal well spacing will cause waste.

7. Pursuant to Rule 318A(I).e.(6)(C), Applicant requests that Encana's objections "be first presented to the hearing officer of the Commission and such hearing officer, based on the facts, may recommend to the Commission that such objection shall stand or be dismissed.

8. Pursuant to Rule 318A(I).e.(6)(C), Applicant confirms that Encana will "bear the burden of proving that...the approval of the...wellbore spacing unit, horizontal well, horizontal wellbore or additional producing formation would either create waste or adversely affect the objecting party's correlative rights."

WHEREFORE, Applicant respectfully requests that this matter be initially presented to the hearing officer pursuant to Rule 318(I)A.e.(6), or 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 requests as set forth above.

DATED this \_\_\_ day of March, 2012.

Respectfully submitted:

KERR-MCGEE OIL & GAS ONSHORE LP

By:

\_\_\_\_\_  
Michael J. Wozniak  
Elizabeth Y. Gallaway  
Jamie L. Jost  
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: Katie Baker  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80202

VERIFICATION

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

Kate Baker, of lawful age, being first duly sworn upon oath, deposes and says that she is a Landman 2 for Kerr-McGee Oil & Gas Onshore LP and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

\_\_\_\_\_  
Katie Baker  
Landman II  
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**

Kerr-McGee Oil & Gas Onshore LP  
ATTN: Katie Baker  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80202

Encana Oil & Gas (USA) Inc.  
ATTN: Darci Potts  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

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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