

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 MODIFYING ORDER NO. 407-543 )  
AND POOLING ALL INTERESTS IN THE )  
NIOBRARA FORMATION IN A DESIGNATED )  
320-ACRE WELLBORE SPACING UNIT )  
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: (i) to modify Order No. 407-543 to add the Niobrara Formation to the order, and (ii) to pool all interests within a 320-acre designated wellbore spacing unit for the Camp 27C-25HZ (API No. 05-123-34481) horizontal well to produce oil, gas, and associated hydrocarbons from the Niobrara Formation located in the following described lands:

Township 3 North, Range 66 West, 6<sup>th</sup> P.M.  
Section 25: E½

Weld County, Colorado ("Application Lands").

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 interests in the 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).

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 Application Lands are subject to this Rule for the Codell Formation.

5. On January 23, 2012, the Commission issued Order No. 407-543 which allowed all interests in the approximate 320-acre wellbore spacing unit to be pooled for the development and operation of the Codell Formation, effective as of the earlier of the date of the Application (November 21, 2011) or the date that the costs specified in C.R.S. §34-60-116(7)(b)(II) were first incurred for the drilling of the Camp 27C-25HZ well on the Application Lands.

6. Subsequent to the issuance of Order No. 407-543, Applicant completed the Camp 27C-25HZ well to the Codell Formation, but also completed the well to the Niobrara Formation. Applicant will comply with the current Commission rules and regulations regarding filing a sundry notice or any other necessary documents regarding the completion of the well to the Niobrara Formation.

7. Based on the new completion to the Niobrara Formation, Applicant will designate a 320-acre wellbore spacing unit, as described below, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation pursuant to Rule 318A and notify the appropriate parties under Rule 318A.e. Applicant does not anticipate receiving any objections to the establishment of the proposed 320-acre wellbore spacing unit within the 30-day response period. Applicant holds an approved Application for Permit to Drill for the Camp 27C-25HZ Well ("Well") within the designated 320-acre wellbore spacing unit.

8. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. § 34-60-116 (6) and (7), seeks a modification to Order No. 407-543 to statutorily pool all interests not voluntarily pooled (including working interests and unleased mineral interests) in the Niobrara Formation underlying the following described 320-acre "Wellbore Spacing Unit":

Township 3 North, Range 66 West, 6<sup>th</sup> P.M.  
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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 each of the horizontal wells to the Niobrara Formation on the Application Lands.

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), and that at least thirty (30)



days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the wells, and will be provided with the information required by Rule 530. The list of such interested parties is attached as Exhibit A.

11. 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, 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. Modify Order No. 407-453 to include the Niobrara Formation in the order for the Camp 27C-25HZ Well.

B. Pooling all interests in the Wellbore Spacing Unit for the development of the Niobrara Formation, including any future wells drilled to said formation.

C. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b)(II) were first incurred for the drilling of the Camp 27C-25HZ Well for the development of the Niobrara Formation.

D. 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.

E. 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 October, 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 2nd day of August, 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: Beau Colligan  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80202

## VERIFICATION

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

James C. Colligan III, of lawful age, being first duly sworn upon oath, deposes and says that he is 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.

James C. Colligan III  
Landman  
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this 12 day of August, 2012.

Witness my hand and official seal.

[SEAL]

My commission expires:



Notary Public

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

Irwin Cantor  
2 Bay Club Drive # 21W  
Bayside, New York 11360

Gregory Family Trust  
PO Box 6817  
Moraga, CA 94570

Clyde L. and Cornelia E. Raisley  
605 40th Avenue  
Greeley, CO 80634

Dennis Foster  
600 Haverkamp Drive  
Glendale, CA 91206

Robert C. Newman  
950 Woodland Pass SE  
Smyrna, GA 30082

Robert B. Tenison  
1925 Hospital Place  
Abilene, TX 79606

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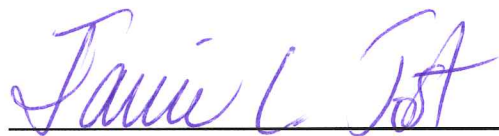
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**AFFIDAVIT OF MAILING**

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 August 10, 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 on August 2 2012.

Witness my hand and official seal.

My commission expires: 10-04-13.



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