

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,)
PURSUANT TO C.R.S. § 34-60-116 IN THE)
CODELL, NIOBRARA AND/OR J SAND)
FORMATIONS IN FOUR DESIGNATED 160-)
ACRE WELLBORE SPACING UNITS)
LOCATED IN SECTIONS 29 AND 32,)
TOWNSHIP 2 NORTH, RANGE 67 WEST, 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 within four designated 160-acre wellbore spacing units to produce oil, gas, and associated hydrocarbons from, as applicable, the Codell, Niobrara and/or J Sand Formations, as follows:

the Hidden Creek 23-29 Well, API No. 05-123-35020, located in the following lands:

Township 2 North, Range 67 West, 6th P.M.
Section 29: E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;

the Hidden Creek 25-29 Well, API No. 05-123-35025, located in the following lands:

Township 2 North, Range 67 West, 6th P.M.
Section 29: SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$;

the Hidden Creek 35-29 Well, API No. 05-123-35018, located in the following lands:

Township 2 North, Range 67 West, 6th P.M.
Section 29: S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 32: N $\frac{1}{2}$ NW $\frac{1}{4}$;

and the Hidden Creek 36-29 Well, API No. 05-123-35013, located in the following lands:

Township 2 North, Range 67 West, 6th P.M.
Section 29: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 32: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$

all located in Weld County, Colorado (together 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 interests in the Application Lands.

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 oil, gas and associated hydrocarbons from the J Sand Formation underlying certain lands, including the Application Lands, and allowed up to two 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, gas and associated hydrocarbons from the Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

5. 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 Formations 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. On August 8, 2011, Rule 318A was again amended to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell, Niobrara and/or J Sand Formations.

6. Applicant designated a 160-acre wellbore spacing unit for the Hidden Creek 23-29 Well for the production of oil, gas, and associated hydrocarbons from Codell and Niobrara Formations pursuant to Rule 318A.e. and notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed wellbore spacing unit within the 30-day response period, and, as such, certifies to the Commission that it did not receive any objections to the well location, proposed spacing unit, or proposed formations.

7. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the Hidden Creek 23-29 Well in the Codell and Niobrara Formations underlying the following designated 160-acre wellbore spacing unit:

Township 2 North, Range 67 West, 6th P.M.
Section 29: E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;

(hereafter "Wellbore Spacing Unit 1").

8. 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 Hidden Creek 23-29 Well to the Codell and Niobrara Formations on the Application Lands.

9. Applicant designated a 160-acre wellbore spacing unit for the Hidden Creek 25-29 Well for the production of oil, gas, and associated hydrocarbons from Codell and Niobrara Formations pursuant to Rule 318A.e. and notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed wellbore spacing unit within the 30-day response period, and, as such, certifies to the Commission that it did not receive any objections to the well location, proposed spacing unit, or proposed formations.

10. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the Hidden Creek 25-29 Well in the Codell and Niobrara Formations underlying the following designated 160-acre wellbore spacing unit:

Township 2 North, Range 67 West, 6th P.M.
Section 29: SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

(hereafter "Wellbore Spacing Unit 2").

11. 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 Hidden Creek 25-29 Well to the Codell and Niobrara Formations on the Application Lands.

12. Applicant designated a 160-acre wellbore spacing unit for the Hidden Creek 35-29 Well for the production of oil, gas, and associated hydrocarbons from Codell, Niobrara and J Sand Formations pursuant to Rule 318A.e. and notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed wellbore spacing unit within the 30-day response period, and, as such, certifies to the Commission that it did not receive any objections to the well location, proposed spacing unit, or proposed formations.

13. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the Hidden Creek 35-29 Well in the Codell, Niobrara and J Sand Formations underlying the following designated 160-acre wellbore spacing unit:

Township 2 North, Range 67 West, 6th P.M.
Section 29: S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 32: N $\frac{1}{2}$ NW $\frac{1}{4}$;

(hereafter "Wellbore Spacing Unit 3").

14. 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 Hidden Creek 35-29 Well to the Codell, Niobrara and J Sand Formations on the Application Lands.

15. Applicant designated a 160-acre wellbore spacing unit for the Hidden Creek 36-29 Well for the production of oil, gas, and associated hydrocarbons from Codell, Niobrara and J Sand Formations pursuant to Rule 318A.e. and notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed wellbore spacing unit within the 30-day response period, and, as such, certifies to the Commission that it did not receive any objections to the well location, proposed spacing unit, or proposed formations.

16. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the Hidden Creek 36-29 Well in the Codell, Niobrara and J Sand Formations underlying the following designated 160-acre wellbore spacing unit:

Township 2 North, Range 67 West, 6th P.M.
Section 29: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 32: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$

(hereafter "Wellbore Spacing Unit 4").

17. 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 Hidden Creek 36-29 Well to the Codell, Niobrara and J Sand Formations on the Application Lands.

18. 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 Hidden Creek 23-29 Well, the Hidden Creek 25-29 Well, the Hidden Creek 35-29 Well and/or the Hidden Creek 36-29 Well, as applicable, and will be provided with the information required by Rule 530. The list of such interested parties is attached hereto as Exhibit A.

19. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and Wellbore Spacing Unit 1, Wellbore Spacing Unit 2, Wellbore Spacing Unit 3, and Wellbore Spacing Unit 4 be pooled for the orderly development of the Codell, Niobrara Formations and/or J Sand Formations, 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 in the Application Lands and Wellbore Spacing Unit 1 for the development of the Codell and Niobrara Formations.

B. Providing that the Commission's pooling order with respect to Wellbore Spacing Unit 1 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 Wellbore Spacing Unit 1 to the Codell and Niobrara 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 the Hidden Creek 23-29 Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Codell and Niobrara Formations in Wellbore Spacing Unit 1 as comprised of the Application Lands.

D. Pooling all interests in the Application Lands and Wellbore Spacing Unit 2 for the development of the Codell and Niobrara Formations.

E. Providing that the Commission's pooling order with respect to Wellbore Spacing Unit 2 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 Wellbore Spacing Unit 2 to the Codell and Niobrara Formations on the Application Lands.

F. 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 the Hidden Creek 25-29 Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Codell and Niobrara Formations in Wellbore Spacing Unit 2 as comprised of the Application Lands.

G. Pooling all interests in the Application Lands and Wellbore Spacing Unit 3 for the development of the Codell, Niobrara and J Sand Formations.

H. Providing that the Commission's pooling order with respect to Wellbore Spacing Unit 3 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 Wellbore Spacing Unit 3 to the Codell, Niobrara and J Sand Formations on the Application Lands.

I. 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 the Hidden Creek 35-29 Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Codell, Niobrara and J Sand Formations in Wellbore Spacing Unit 3 as comprised of the Application Lands.

J. Pooling all interests in the Application Lands and Wellbore Spacing Unit 4 for the development of the Codell, Niobrara and J Sand Formations.

K. Providing that the Commission's pooling order with respect to Wellbore Spacing Unit 4 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 Wellbore Spacing Unit 4 to the Codell, Niobrara and J Sand Formations. n the Application Lands.

L. 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 the Hidden Creek 36-29 Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Codell, Niobrara and J Sand Formations in Wellbore Spacing Unit 4 as comprised of the Application Lands.

M. 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 November 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 September, 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

Address of Applicant

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

VERIFICATION

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

Katie Baker, of lawful age, being first duly sworn upon oath, deposes and says that she is Landman 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

Katie Baker
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this 14th day of September, 2012.

Witness my hand and official seal.

[SEAL]

My commission expires: 11/29/15

Lanni Volant
Notary Public

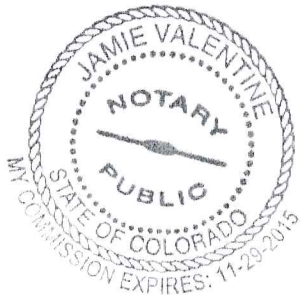


EXHIBIT A
Interested Parties

MRPC II, LLC
2901 28th Street, Suite 205
Santa Monica, CA 90405

Colorado National Bank of Denver, Trustee
1225 17th Street, Suite 150
Denver, CO 80202

Hurley Holding Co, LLC
9 Wickersell Ct
Columbia, SC 29212

Charles Emerson Hamly
7808 Mulberry Bottom Land
Springfield, VA 22153

Kim Wallace Hartman
13085 Mercury Dr
Littleton, CO 80124

Richard John Hartman
1651 Adams St
Denver, CO 80206

KBL Mineral Company, LLC
410 17th St Suite 1150
Denver, CO 80202

Irene H Hamly Trustee of the Irene H.
Hamly Trust
PO BOX 1061
Black Mountain, NC 28711

Rowland Emerson Hamly
106 Terrace Land
International Falls, MN 56649

James Perrin Rice
733 East Glenhaven Dr
Phoenix, AZ 85048

Ronaly L. Anderson and Imrie V. Anderson,
Co Trustees of the Ronald and Imrie
Anderson Family
Trust dated July 21, 2006
73 Moose Dr
Lyons, CO 80540

Licia Allen
8605 S Palo Verde Rd
Buckeye, AZ 85326

Ruth I. Kelly
4318 29th St RD
Greeley, CO 80634

Margaret Boyle Jorgensen
46 Hacienda
Carmel, CA 93923

Margaret Boyle Jorgensen
714 Modesto Ave
Santa Cruz, CA 95060

JLW Investment LLC
351 Glencoe St
Denver, CO 80220

Louise C. Null
7613 East Golf Links
Tucson, AZ 85730

Oxford Mission
35 Great Peter St
London S.W. 1, England
Peter B. Teets
9730 Highland Glen Place
Colorado Springs, CO 80920

NRC-CO 1, LLC
755 E. Mulberry AVE, 6th Floor
San Antonio, TX 78212

JLW Investment LLC
351 Glencoe St
Denver, CO 80220

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Bud W. Hunziker
7037 Road 19
Fort Lupton, CO 80621

Joyce M. Hunziker
7037 Road 19
Fort Lupton, CO 80621

J. Robert Gumeson and William C.
Gumeson, JT
Box 382
Golden, CO 80401

Brett R. Cary and Kathleen P Cary, JT
2355 CO RD CC
Orchard, CO 80649

J. Robert Gumeson
Box 382
Golden, CO 80401

Farmers Reservoir and Irrigation Company
80 South 27th Ave
Brighton, CO 80601

Glen S. Cook and Gayle S. Cook,
Trustees of the Glen S. Cook Trust No 1
dtd February 1, 2011
200 Kahil Place
Ft. Lupton, CO 80261

Karen P. Miller
P.O. Box 231
Firestone, CO 80520

Pete B. Teets
9730 Highland Glen Place
Colorado Springs, CO 80920

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IN THE MATTER OF THE APPLICATION OF)
KERR-MCGEE OIL & GAS ONSHORE LP FOR)
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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 September 24, 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 September 17 2012.

Witness my hand and official seal.

My commission expires: 10-04-13.





Notary Public