

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 AND/OR NIOBRARA FORMATIONS)
IN SEVEN DESIGNATED WELLBORE)
SPACING UNITS LOCATED IN SECTIONS 19)
AND 20, TOWNSHIP 2 NORTH, RANGE 65)
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 seven designated wellbore spacing units to produce oil, gas, and associated hydrocarbons from, as applicable, the Codell and/or Niobrara Formations, as follows:

the Bydalek 30C-20HZ Well, API No. 05-123-36223, located in the following lands:

Township 2 North, Range 65 West, 6th P.M.

Section 19: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 20: W $\frac{1}{2}$ W $\frac{1}{2}$ ("WSU#1");

the Bydalek 4N-20HZ Well, API No. 05-123-36214, located in the following lands:

Township 2 North, Range 65 West, 6th P.M.

Section 20: W $\frac{1}{2}$ W $\frac{1}{2}$ ("WSU#2");

the Bydalek 29C-20HZ Well, API No. 05-123-36219, located in the following lands:

Township 2 North, Range 65 West, 6th P.M.

Section 20: W $\frac{1}{2}$ ("WSU#3");

the Bydalek 29N-20HZ Well, API No. 05-123-36220, located in the following lands:

Township 2 North, Range 65 West, 6th P.M.

Section 20: W $\frac{1}{2}$ ("WSU#4");

the Bydalek 3N-20HZ Well, API No. 05-123-36217, located in the following lands:

Township 2 North, Range 65 West, 6th P.M.

Section 20: E $\frac{1}{2}$ W $\frac{1}{2}$ ("WSU#5");

the Bydalek 28C-20HZ Well, API No. 05-123-36212, located in the following lands:

Township 2 North, Range 65 West, 6th P.M.
Section 20: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$ ("WSU#6");

the Bydalek 28N-20HZ Well, API No. 05-123-36216, located in the following lands:

Township 2 North, Range 65 West, 6th P.M.
Section 20: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$ ("WSU#7");

all 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 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 Codell and/or Niobrara 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 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 and/or Niobrara Formation.

Bydalek 30C-20HZ (WSU#1):

5. Applicant designated a 320-acre wellbore spacing unit for the Bydalek 30C-20HZ Well for the production of oil, gas, and associated hydrocarbons from Codell Formation 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.

6. 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 Bydalek 30C-20HZ Well in the Codell Formation underlying the following designated 480-acre wellbore spacing unit:

Township 2 North, Range 65 West, 6th P.M.

Section 19: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 20: W $\frac{1}{2}$ W $\frac{1}{2}$.

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 Bydalek 30C-20HZ Well to the Codell Formation on the Application Lands.

Bydalek 4N-20HZ (WSU#2):

8. Applicant designated a 160-acre wellbore spacing unit for the Bydalek 4N-20HZ Well for the production of oil, gas, and associated hydrocarbons from Niobrara Formation 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.

9. 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 Bydalek 4N-20HZ Well in the Niobrara Formation underlying the following designated 160-acre wellbore spacing unit:

Township 2 North, Range 65 West, 6th P.M.

Section 20: W $\frac{1}{2}$ W $\frac{1}{2}$

10. 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 Bydalek 4N-20HZ Well to the Niobrara Formation on the Application Lands.

Bydalek 29C-20HZ (WSU#3):

11. Applicant designated a 320-acre wellbore spacing unit for the Bydalek 29C-20HZ Well for the production of oil, gas, and associated hydrocarbons from Codell Formation 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.

12. 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 Bydalek 29C-20HZ in the Codell Formation underlying the following designated 320-acre wellbore spacing unit:

Township 2 North, Range 65 West, 6th P.M.
Section 20: W½.

13. 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 Bydalek 29C-20HZ Well to the Codell Formation on the Application Lands.

Bydalek 29N-20HZ (WSU#4):

14. Applicant designated a 320-acre wellbore spacing unit for the Bydalek 29N-20HZ Well for the production of oil, gas, and associated hydrocarbons from Niobrara Formation 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.

15. 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 Bydalek 29N-20HZ in the Niobrara Formation underlying the following designated 320-acre wellbore spacing unit:

Township 2 North, Range 65 West, 6th P.M.
Section 20: W½.

16. 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 Bydalek 29N-20HZ Well to the Niobrara Formation on the Application Lands.

Bydalek 3N-20HZ (WSU#5):

17. Applicant designated a 160-acre wellbore spacing unit for the Bydalek 3N-20HZ Well for the production of oil, gas, and associated hydrocarbons from Niobrara Formation 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.

18. 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 Bydalek 3N-20HZ in the Niobrara Formation underlying the following designated 160-acre wellbore spacing unit:

Township 2 North, Range 65 West, 6th P.M.
Section 20: E $\frac{1}{2}$ W $\frac{1}{2}$.

Application requests:

Bydalek 28C-20HZ (WSU#6):

19. Applicant designated a 320-acre wellbore spacing unit for the Bydalek 28C-20HZ Well for the production of oil, gas, and associated hydrocarbons from Codell Formation 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.

20. 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 Bydalek 28C-20HZ in the Codell Formation underlying the following designated 320-acre wellbore spacing unit:

Township 2 North, Range 65 West, 6th P.M.
Section 20: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$.

21. 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 Bydalek 28C-20HZ Well to the Codell Formation on the Application Lands.

Bydalek 28N-20HZ (WSU#7):

22. Applicant designated a 320-acre wellbore spacing unit for the Bydalek 28N-20HZ Well for the production of oil, gas, and associated hydrocarbons from Niobrara Formation 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.

23. 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 Bydalek 28N-20HZ in the Niobrara Formation underlying the following designated 320-acre wellbore spacing unit:

Township 2 North, Range 65 West, 6th P.M.
Section 20: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$.

24. 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 Bydalek 28N-20HZ Well to the Niobrara Formation on the Application Lands.

25. 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 Well and will be provided with the information required by Rule 530, if applicable. The list of such interested parties is attached hereto as Exhibit A.

26. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and WSU#1 through WSU#7 be pooled for the orderly development of the Codell 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:

Bydalek 30C-20HZ Well (WSU#1)

A. Pooling all interests in the Bydalek 30C-20HZ Well and WSU#1 for the development of the Codell Formation.

B. Providing that the Commission's pooling order with respect to WSU#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 WSU#1 to the Codell Formation 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 Bydalek 30C-20HZ 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 Formation in WSU#1.

Bydalek 4N-20HZ Well (WSU#2)

D. Pooling all interests in the Bydalek 4N-20HZ Well and WSU#2 for the development of the Niobrara Formation.

E. Providing that the Commission's pooling order with respect to WSU#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 WSU#2 to the Niobrara Formation 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 Bydalek 4N-20HZ 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 Niobrara Formation in WSU#2.

Bydalek 29C-20HZ Well (WSU#3)

G. Pooling all interests in the Bydalek 29C-20HZ Well and WSU#3 for the development of the Codell Formation.

H. Providing that the Commission's pooling order with respect to WSU#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 WSU#3 to the Codell Formation 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 Bydalek 29C-20HZ 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 Formation in WSU#3.

Bydalek 29N-20HZ Well (WSU#4)

J. Pooling all interests in the Bydalek 29N-20HZ Well and WSU#4 for the development of the Niobrara Formation.

K. Providing that the Commission's pooling order with respect to WSU#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 WSU#4 to the Niobrara Formation on 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 Bydalek 29N-20HZ 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 Niobrara Formation in WSU#4.

Bydalek 3N-20HZ Well (WSU#5)

M. Pooling all interests in the Bydalek 3N-20HZ Well and WSU#5 for the development of the Niobrara Formation.

N. Providing that the Commission's pooling order with respect to WSU#5 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 WSU#5 to the Niobrara Formation on the Application Lands.

O. 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 Bydalek 3N-20HZ 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 Niobrara Formation in WSU#5.

Bydalek 28C-20HZ Well (WSU#6)

P. Pooling all interests in the Bydalek 28C-20HZ Well and WSU#6 for the development of the Codell Formation.

Q. Providing that the Commission's pooling order with respect to WSU#6 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 WSU#6 to the Codell Formation on the Application Lands.

R. 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 Bydalek 28C-20HZ 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 Formation in WSU#6.

Bydalek 28N-20HZ (WSU#7)

S. Pooling all interests in the Bydalek 28N-20HZ Well and WSU#7 for the development of the Niobrara Formation.

T. Providing that the Commission's pooling order with respect to WSU#7 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 WSU#7 to the Niobrara Formation on the Application Lands.

U. 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 Bydalek 28N-20HZ 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 Niobrara Formation in WSU#7.

V. 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 January 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 November, 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: James Grant
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

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

Jay Errebo, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior 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.


Jay Errebo, Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this 2nd day of November, 2012.

Witness my hand and official seal.

[SEAL]

My commission expires: 02/03/2015




Notary Public

EXHIBIT A
Interested Parties

William D. Sarchet and Carol J. Sarchet
8627 Weld County Road 41
Fort Lupton, CO 80621

T.E. McClintock T/W fbo Elizabeth Elizabeth
M. Nikoliric,
Colorado State Bank and Trust, N.A.,
Trustee
PO BOX 1588
Tulsa OK 74101

T.E. McIntock T/W/ fbo Mary M. Swift
U.S. Bank, N.A., Trustee
PO BOX 1588
Tulsa OK 74101

James C. Cooper and Rhonda J. Cooper,
Trustees or their successors in Trust,
under the Cooper Living Trust dated Feb
16, 2006

6200 Chokecherry Drive
Loveland, CO 80537

Colorado Investors, LLC,
a Colorado Limited liability Company
220 Main Street
Wiley, CO 81092

Yasmin L. Beltan and Imelda De Castillo
Hernandez, joint tenants
8391 CR 41
Fort Lupton, CO 80621

Kerr-McGee Oil & Gas Onshore L.P.
1099 18th Street, Suite 1800
Denver, Colorado 80202

Noble Energy, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202

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OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
KERR-MCGEE OIL & GAS ONSHORE LP FOR)
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SPACING UNITS LOCATED IN SECTIONS 19)
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WEST, IN THE WATTENBERG FIELD, WELD)
COUNTY, COLORADO)

Cause No. _____

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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 November 12, 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 November 2 2012.

Witness my hand and official seal.

My commission expires: 10-04-13.




Notary Public