

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 )  
THE NIOBRARA FORMATION IN AN )  
APPROXIMATE 640-ACRE DESIGNATED )  
WELLBORE SPACING UNIT LOCATED IN )  
PORTIONS OF SECTION 31, TOWNSHIP 3 )  
NORTH, RANGE 64 WEST; SECTION 36, )  
TOWNSHIP 3 NORTH, RANGE 65 WEST; )  
SECTION 1, TOWNSHIP 2 NORTH, RANGE )  
65 WEST; AND SECTION 6, TOWNSHIP 2 )  
NORTH, RANGE 64 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 a designated approximate 640-acre wellbore spacing unit produce oil, gas, and associated hydrocarbons from the Niobrara Formation for the:

Dechant State 38N-1HZ Well, API No. 05-123-36292 ("Well"):

Township 3 North, Range 64 West, 6th P.M.  
Section 31: W $\frac{1}{2}$ W $\frac{1}{2}$

Township 3 North, Range 65 West, 6th P.M.  
Section 36: E $\frac{1}{2}$ E $\frac{1}{2}$

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

Township 2 North, Range 64 West, 6th P.M.  
Section 6: W $\frac{1}{2}$ W $\frac{1}{2}$

Weld County, Colorado (together "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 Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. A portion of the Application Lands are also subject to Order No. 407-463, however, Order No. 407-463 has no effect on the relief requested in this Application.

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 Niobrara Formation.

5. Applicant designated an approximate 640-acre wellbore spacing unit for the 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 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 Well in the Niobrara Formation underlying the following designated 640-acre wellbore spacing unit:

Township 3 North, Range 64 West, 6th P.M.  
Section 31: W $\frac{1}{2}$ W $\frac{1}{2}$

Township 3 North, Range 65 West, 6th P.M.  
Section 36: E $\frac{1}{2}$ E $\frac{1}{2}$

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

Township 2 North, Range 64 West, 6th P.M.  
Section 6: W $\frac{1}{2}$ W $\frac{1}{2}$

(hereafter "Wellbore Spacing Unit").



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 Well to the Niobrara Formation in the Wellbore Spacing Unit.

8. 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 as applicable.

9. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit 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. Pooling all interests in the Well and the Wellbore Spacing Unit for the development of the Niobrara Formation.

B. Providing that the Commission's pooling order with respect to the Wellbore Spacing Unit 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 Wellbore Spacing Unit to the Niobrara Formation.

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 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 the Wellbore Spacing Unit.

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 February 2013, 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 13<sup>th</sup> day of December, 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: 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 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.

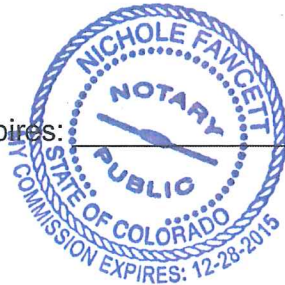
\_\_\_\_\_  
Jason Rayburn  
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this 13 day of December, 2012.

Witness my hand and official seal.

[SEAL]

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



\_\_\_\_\_

Notary Public

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 )  
THE NIOBRARA FORMATION IN A 640-ACRE )  
DESIGNATED WELLBORE SPACING UNIT )  
LOCATED IN PORTIONS OF SECTION 31, )  
TOWNSHIP 3 NORTH, RANGE 64 WEST; )  
SECTION 36, TOWNSHIP 3 NORTH, RANGE )  
65 WEST; SECTION 1, TOWNSHIP 2 NORTH, )  
RANGE 65 WEST; AND SECTION 6, )  
TOWNSHIP 2 NORTH, RANGE 64 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 December 20, 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 December 13, 2012.

Witness my hand and official seal.

My commission expires: 11/13/2016.

**TANYA S. COHEN**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
NOTARY ID 20084038573  
MY COMMISSION EXPIRES NOV. 13, 2016

  
Notary Public



## Exhibit A

Kerr-McGee Oil & Gas Onshore LP  
P.O. Box 173779  
Denver, CO 80217-3779

Noble Energy, Inc.  
1600 Broadway, Suite 2200  
Denver, CO 80202

PDC Energy, Inc.  
1775 Sherman Street, Suite 3000  
Denver, CO 80203

Southwest Mineral Group  
1312 Wilson Avenue  
Lufkin, TX 75904

Timberline Resources, LLC  
P.O. Box 1027  
Littleton, CO 80160

State of Colorado  
Board of Land Commissioners  
1313 Sherman St., Room 620  
Denver, CO 80203

Anadarko E&P Company LP<sup>1</sup>  
P.O. Box 1257  
Englewood, CO

Houa Thao, Mee Lo, Thai Yang and Yia Thao, JT  
11822 WCR 49  
Hudson, CO 80642

Randy B. Evans and Catherine M. Evans  
11670 WCR 49  
Hudson, CO 80642

John Smith and Dee Smith  
11250 WCR 49  
Hudson, CO 80642

Tod Moore  
17930 WCR 12  
Fort Lupton, CO 80621

William Stone and Wendy Stone, JT  
11200 WCR 49  
Hudson, CO 80642

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<sup>1</sup> Effective January 1, 2013, Anadarko E&P Company LP will become: "Anadarko E&P Onshore LLC".