

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 TO VACATE ORDER NO. 407-664)
IN PART AND POOL ALL INTERESTS, IN AN)
AMENDED DESIGNATED WELLBORE)
SPACING UNIT LOCATED IN SECTIONS 2,)
TOWNSHIP 2 NORTH, RANGE 65 WEST, IN)
THE CODELL AND NIOBRARA FORMATIONS)
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 vacate Order No. 407-664 for the Nichols 16N-31HZ Well and re-pool all interests within an amended designated 160-acre wellbore spacing unit for the Nichols 16N-31HZ Well, API No. 05-123-35740 ("Well") for the development of the Codell and Niobrara Formations on the following described lands:

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

Weld County, Colorado ("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.
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, Niobrara and/or J Sand Formations.

5. On July 9, 2012, the Commission issued Order No. 407-466, which among other things pooled all interests in multiple wellbore spacing units including a 200-acre wellbore spacing unit for the for the Nichols 16N-31HZ Well production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

6. Applicant hereby requests that Order No. 407-466 be vacated as to the 200-acre wellbore spacing unit established for the Nichols 16N-31HZ Well.

7. Applicant further requests that, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, the Commission enter an order to re-pool all interests in the following amended 160-acre wellbore spacing unit for the Nichols 16N-31HZ Well for the development of the Codell and Niobrara Formations underlying the Application Lands:

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

("Wellbore Spacing Unit")

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 Well to the Codell and Niobrara Formations on the Application Lands.

9. 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, 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.

10. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and the Wellbore Spacing Unit be pooled for the orderly development of the Codell and Niobrara 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. Vacating the 200-acre wellbore spacing unit established by Order No. 407-664 for the Nichols 16N-31HZ Well.

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

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 the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well to the Codell and Niobrara Formations on the Application Lands.

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 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 Codell and Niobrara Formations in the Wellbore Spacing Unit as comprised of the Application Lands.

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 May 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 7th day of March, 2013.

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

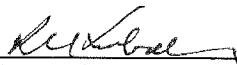
Address of Applicant

Kerr-McGee Oil & Gas Onshore LP
ATTN: R. C. "Rocky" Kimball
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

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

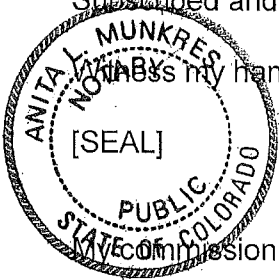
R. C. "Rocky" Kimball, of lawful age, being first duly sworn upon oath, deposes and says that she is Landman for Kerr-McGee Oil & Gas Onshore LP and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.



R. C. "Rocky" Kimball, Staff Landman
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this ____ day of March, 2013.

Witness my hand and official seal.



My commission expires: 8/8/2015



Notary Public

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OF THE STATE OF COLORADO

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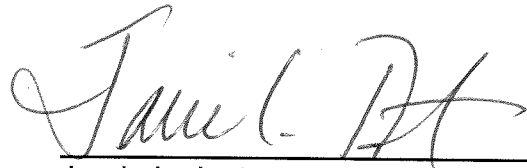
Docket No. _____

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 April 3, 2013, 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.

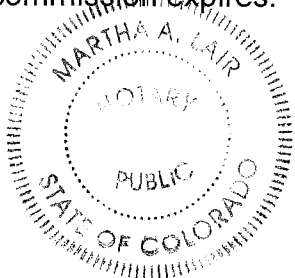


Jamie L. Jost

Subscribed and sworn to before me April 3 2013.

Witness my hand and official seal.

My commission expires: April 16, 2016





Notary Public

EXHIBIT A
Interested Parties

Robin Christen Ward
c/o Julia Mazzula Noland
10621 Martis Valley Road
Truckee, CA 96161

Robert J. Christen and Arlene M. Christen,
Trustees of the Christen Trust dated January 31,
1989
2070 Dunes Circle
Reno, Nevada 89509

Stewart G J Clayton
5540 South Yampa Court
Aurora, CO 80015

Nan Clayton Sommer
4458 Chelsea Road
Las Cruces, New Mexico 88005-3527

Maynard W. Nichols
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Hudson, CO 80642

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Houston, TX 77095-3563

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803 North Shorewood Drive
Marble Falls, TX 78654

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PO Box 127
Platteville, CO 80651

Phyllis Edith Camp Nelson
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Kerr-McGee Onshore Oil & Gas
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Anadarko Petroleum Corporation
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Denver, CO 80202

Noble Energy, Inc.
1625 Broadway, Suite 2000
Denver, CO 80202

Roy Myles Nichols Jr
21500 Weld County Road 22
Hudson, Co 80642