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).	Cause No
AN ORDER TO POOL ALL INTERESTS IN)	
TWO 640-ACRE DESIGNATED WELLBORE)	Docket No.
SPACING UNITS ESTABLISHED FOR)	
SECTIONS 17 AND 20, TOWNSHIP 1 NORTH,)	
RANGE 67 WEST, FOR THE CODELL AND)	
NIOBRARA FORMATIONS, WATTENBERG)	
FIELD, WELD COUNTY, COLORADO)	

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 two approximate 640-acre designated wellbore spacing units for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations for the following described lands:

Township 1 North, Range 67 West, 6th P.M.
Section 17: W½ (WSU#1 - Griffiths 35C-20HZ - API No. 05-123-36635)
Section 20: W½

Section 17: W½ (WSU#2 - Griffiths 35N-20HZ - API No. 05-123-36633)
Section 20: W½

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 entered 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 Niobrara Formations 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 Niobrara Formations.

- 5. Pursuant to Rule 318A.e, Applicant designated two 640-acre wellbore spacing units for the Griffiths 35C-20HZ Well and the Griffiths 35N-20HZ Well for the production of oil, gas, and associated hydrocarbons from Codell and Niobrara Formations respectively. Applicant notified all owners in each proposed wellbore spacing unit pursuant to Rule 318A.e.(6), as applicable. Applicant did not receive any objections to the establishment of the proposed wellbore spacing units 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 Griffiths 35C-20HZ Well for development and operation of the Codell Formation underlying the following designated 640-acre wellbore spacing unit:

Township 1 North, Range 67 West, 6th P.M.

Section 17: W1/2

(WSU#1 - Griffiths 35C-20HZ)

Section 20: W1/2

- 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 Griffiths 35C-20HZ Well to the Codell Formation.
- 8. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, also seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the Griffiths 35N-20HZ Well for development and operation of the Niobrara Formation underlying the following designated 640-acre wellbore spacing unit:

Township 1 North, Range 67 West, 6th P.M.

Section 17: W1/2

(WSU#2 - Griffiths 35N-20HZ)

Section 20: W1/2

- 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 the Griffiths 35N-20HZ Well to the Niobrara Formation.
- 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 Wells and will be provided with the information required by Rule 530 as applicable. 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 WSU#1 and WSU#2 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. Pooling all interests in the Griffiths 35C-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 the Griffiths 35C-20HZ Well in WSU#1 to the Codell 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 Griffiths 35C-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 WSU#1.
- D. Pooling all interests in the Griffiths 35N-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 the Griffiths 35N-20HZ Well in WSU#2 to the Niobrara Formation.
- 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 Griffiths 35N-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 WSU#2.
- G. 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 June 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 \(\frac{\sqrt{}}{\text{day of April, 2013.}} \)

Respectfully submitted

KERR-MOGEE ON & GAS ONSHORE LP

Jami**e** L. Kost 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 18th Street, Suite 1800 Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) ss. ()
Landman for Kerr-McGee Oil & Ga	ge, being first duly sworn upon path, deposes and says that he is a as Onshore LP and that he has read the foregoing Application and are true to the best of his knowledge, information and belief.
	Jason Rayburn
	Kerr-McGee Oil & Gas Onshore LP
Subscribed and sworn to before thi	is //h day of April, 2013.
Witness my hand and official seal.	OTARL
[SEAL]	NO. PUBLIC.
My commission expires: 2/17/3	Wire of cologic
	Notary Public
	Notary Public

EXHIBIT A Interested Parties

TANYA LOCKMAN-LEEPER 7253 WCR 6 BRIGHTON, CO 80603

EARL JAMES JACOBSON 9251 EAST CORNELL AVE. DENVER, CO 80231

HELEN H. WELLS 9524 SURREY RD. CASTLE ROCK, CO 80108-9132

JOANN H. ORR 9332 AVALON GATES TRUMBULL, CT 06611-5834

JELTS LLC 14711 ZUNI ST. BROOMFIELD, CO 80023-6291

JOHN H. GRUENLER 1018 LAUREL VALLEY DR. NEW BERN, NC 28562-2936

JOHN C LAURIDSON TRUST - DATED January 31, 1994 14570 YOUNG DR. BRIGHTON, CO 80601-6704

JOHN LAURIDSON 14570 YOUNG DR. BRIGHTON, CO 80601-6704

RUTH E. MACY AND DANIEL R MACY JTS 24814 165TH ST. GLENWOOD, Minnesota 56334

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MARTHA J. QUENZER 7193 WCR 6 BRIGHTON, CO 80603

HARRY W. HOWLETT 7439 WCR 6 BRIGHTON, CO 80603

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 POOL ALL INTERESTS IN TWO 640-ACRE DESIGNATED WELLBORE SPACING UNITS ESTABLISHED FOR SECTIONS 17 AND 20, TOWNSHIP 1 NORTH, RANGE 67 WEST, FOR THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO)		
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 April 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. Elizabeth Y. Gallaway			
Subscribed and sworn to before me April 18, 2013.			
Witness my hand and official seal.			
My commission expires: April 16, 200	Marka a Zan otary Public		