BEFORE THE OIL AND 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 AN)
APPROXIMATE 320-ACRE DESIGNATED) Docket No.
WELLBORE SPACING UNIT ESTABLISHED	
FOR SECTIONS 7, 8, 17, AND 18, TOWNSHIP	,)
3 NORTH, RANGE 66 WEST, FOR THE	,
NIOBRARA FORMATION, WATTENBERG)
FIELD, WELD COUNTY, COLORADO	,

APPLICATION

COMES NOW Kerr-McGee Oil & Gas Onshore LP (referred to herein as "Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests in an approximate 320-acre designated wellbore spacing unit for the drilling of the Bella Federal 36N-7HZ Well (API No. pending) ("Well") for the development of the Niobrara Formation on the following described lands:

Township 3 North, Range 66 West, 6th P.M.

Section 7: S½SE¼ Section 8: S½SW¼ Section 17: N½NW¼ Section 18: N½NE¼

Weld County, Colorado (hereinafter "Application Lands").

In support thereof, 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 leasehold 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 and/or gas 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 Niobrara Formation.

- 5. Applicant designated an approximate 320-acre wellbore spacing unit as defined below, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.
- 6. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands for the development of the Niobrara Formation underlying the following 320-acre designated wellbore spacing unit:

Township 3 North, Range 66 West, 6th P.M.

Section 7: S½SE¼ Section 8: S½SW¼ Section 17: N½NW¼ Section 18: N½NE¼

(hereafter, "the 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 on the Application Lands.
- 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 should 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 Application Lands and the Wellbore Spacing Unit for the development of the Niobrara Formation.
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of 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 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 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 the Well drilled to develop the Niobrara Formation in the Wellbore Spacing Unit comprising the Application Lands.
- 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 July, 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 $\frac{20}{3}$ day of May, 2013.

Respectfully submitted,

KERR-MCGEE OIL & GAS ØNSHORE LP

Ву:

Jamie L. Jøst

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)	
OITY MAID COUNTY OF BEAUTIFUL	•	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

Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this 3 day of May, 2013.

Witness my hand and official seal.

[SEAL]

KERRI DOUGAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20114006005
MY COMMISSION EXPIRES 02/03/2015

My commission expires: 02/03/2015

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 TO POOL ALL INTERESTS IN AN APPROXIMATE 320-ACRE DESIGNATED WELLBORE SPACING UNIT ESTABLISHED FOR SECTIONS 7, 8, 17, AND 18, TOWNSHIP 3 NORTH, RANGE 66 WEST, FOR THE NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO	Cause No Docket No Cause No			
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 June, 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 June 4, 2013.				
Witness my hand and official seal.				
My commission expires: 10-04-1	3. Jeresa Lettase			
	Notary Public			

EXHIBIT A Interested Partie

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