BEFORE THE OIL & GAS CONSERVATION COMMISSION OF THE STATE OF 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 five designated wellbore spacing units for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations for the following described lands:

Howard 30C-28HZ: Township 1 North, Range 67 West, 6th P.M.

Section 20: SE¼SE¼ (WSU#1)

Section 21: SW1/4SW1/4 Section 28: W1/2W1/2 Section 29: E1/2E1/2

Howard 29C-28HZ: Township 1 North, Range 67 West, 6th P.M.

Section 21: S½SW¼ (WSU#2)

Section 28: W1/2

Howard 29N-28HZ: Township 1 North, Range 67 West, 6th P.M.

Section 21: S½SW¼ (WSU#3)

Section 28: W1/2

Howard 4N-28HZ Township 1 North, Range 67 West, 6th P.M.

Section 21: SW1/4SW1/4 (WSU#4)

Section 28: W1/2W1/2

Howard 3C-28HZ Township 1 North, Range 67 West, 6th P.M.

Section 21: SE¼SW¼ (WSU#5)

Section 28: E1/2W1/2

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

In support thereof, the Applicant states and alleges as follows:

- 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 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 Niobrara Formations.
- 5. Pursuant to Rule 318A.e, Applicant designated three 400-acre wellbore spacing units for the Howard 30C-28HZ Well, the Howard 29C-28HZ Well, and the Howard 29N-28HZ Well, and two 200-acre wellbore spacing units for the Howard 4N-28HZ Well and Howard 3C-28HZ Well, respectively, for the production of oil, gas, and associated hydrocarbons from Codell and Niobrara Formations. 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.
- 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 Howard 30C-28HZ Well for development and operation of the Codell Formation underlying the following designated 400-acre wellbore spacing unit:

Township 1 North, Range 67 West, 6th P.M. Section 20: SE1/4SE1/4 (WSU#1)

Section 21: SW1/4SW1/4

Section 28: W1/2W1/2

Section 29: E½E½

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 Howard 29C-28HZ Well for development and operation of the Codell Formation underlying the following designated 400-acre wellbore spacing unit:

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

Section 21: S1/2SW1/4

(WSU#2)

Section 28: W1/2

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 Howard 29N-28HZ Well for development and operation of the Niobrara Formation underlying the following designated 400-acre wellbore spacing unit:

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

Section 21: S½SW¼

(WSU#3)

Section 28: W1/2

Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and 9. Commission Rule 530, also seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the Howard 4N-28HZ Well for development and operation of the Niobrara Formation underlying the following designated 200-acre wellbore spacing unit:

> Township 1 North, Range 67 West, 6th P.M. Section 21: SW1/4SW1/4 (WSU#4)

Section 28: W1/2W1/2

Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and 10. Commission Rule 530, also seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the Howard 3C-28HZ Well for development and operation of the Codell Formation underlying the following designated 200-acre wellbore spacing unit:

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

Section 21: SE1/4SW1/4

(WSU#5)

Section 28: E½W½.

- 11. 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 Howard 30C-28HZ Well, the Howard 29C-28HZ Well, the Howard 29N-28HZ Well, the Howard 4N-28HZ Well, and the Howard 3C-28HZ Well ("Wells") to the Codell and Niobrara Formations, as applicable.
- 12. 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 <u>Exhibit A.</u>

13. That in order to prevent waste and to protect correlative rights, all interests in each WSU#1 through WSU#5 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 Howard 30C-28HZ 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 Howard 30C-28HZ 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 Howard 30C-28HZ 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 Howard 29C-28HZ Well and WSU#2 for the development of the Codell 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 Howard 29C-28HZ Well in WSU#2 to the Codell 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 Howard 29C-28HZ 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#2.
- G. Pooling all interests in the Howard 29N-28HZ Well and WSU#3 for the development of the Niobrara 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 the Howard 29N-28HZ Well in WSU#3 to the Niobrara Formation.

- 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 Howard 29N-28HZ 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#3.
- J. Pooling all interests in the Howard 4N-28HZ 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 the Howard 4N-28HZ Well in WSU#4 to the Niobrara Formation.
- 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 Howard 4N-28HZ 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#4.
- M. Pooling all interests in the Howard 3C-28HZ Well and WSU#5 for the development of the Codell 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 the Howard 3C-28HZ Well in WSU#5 to the Codell Formation.
- 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 Howard 4N-28HZ 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#5.
- P. 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 September 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 18 day of July, 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: Gordon R. Palmer
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO)		
) ss. CITY AND COUNTY OF DENVER)		
Gordon R. Palmer, of lawful age, beir says that he is Staff Landman for Kerr-McGee the foregoing Application and that the matters knowledge, information and belief.		
	don R. Palmer -McGee Oil & Gas Onsh o re LP	
Subscribed and sworn to before this <u>20</u> day of June, 2013.		
Witness my hand and official seal.	RACHEL MARIE CRUZ NOTARY PUBLIC	
[SEAL]	STATE OF COLORADO NOTARY ID 20124066688 MY COMMISSION EXPIRES 10/17/2016	
My commission expires: 10/17/2016	Motary Public	

Exhibit A

Howard 4N-28HZ, Howard 29C-28HZ, Howard 29N-28HZ, and Howard 30C-28HZ

MELVIN DINNER AND H. MICHAEL MILLER, TRUSTEES OF THE JOE MILLER LIQUIDATING TRUST, DATED DECEMBER 24, 1992 822 7TH STREET, #540 GREELEY, CO 80631

PATRICIA LYNNE LORIE TRUST C/O ROBERT L. MUELLER, VP AMG NATIONAL TRUST BANK 1155 CANYON BOULEVARD, #310 BOULDER, CO 80302

PATRICIA LYNNE LORIE 1900 E. GIRARD PLACE, #908 ENGLEWOOD, CO 80113

LEE S. SILENSKY 71 YORK STREET DENVER, CO 80206

ANDREA G. VERTNER 16104 STONE BRIAR DRIVE PARKER, CO 80134

CLAIRE L. BRAY 5720 SOUTH KENTON WAY ENGLEWOOD, CO 80111

JEROME W. KARSH 650 SOUTH CHERRY STREET, #500 DENVER, CO 80246

HARVEY B. KARSH 400 SOUTH STEELE STREET, #20 DENVER, CO 80209

ANADARKO E&P ONSHORE LLC 1099 18TH STREET, SUITE 1800 DENVER. CO 80202

TERRY J. ALLAN 12426 WEST 16TH PLACE LAKEWOOD, CO 80215 CHERIE L. MACDONALD 15437 6200 ROAD MONTROSE, CO 81403

TAMERA L. EDELMAN 1209 ELIZABETH STREET, #1A DENVER, CO 80206

EDITH H. HAGEMAN 6718 WEST HINSDALE AVENUE LITTLETON, CO 80123

IRIS L. SMITH AND CAROL ELAINE CAMPBELL, AS SUCCESSOR CO-TRUSTEES OF THE LARRY L. SMITH AND IRIS L. SMITH REVOCABLE LIVING TRUST DATED JULY 17, 2007 5118 KENDALL TOPEKA, KS 66618

JON R. SMITH AKA JOHN S. SMITH HC1 BOX 68, CLAYTON, KS 67629

ALVIN SMITH 201 WEST CRANE NORTON, KS 67654

VERN SMITH 2611 EAST GRANDVIEW ROAD PHOENIX, AZ 85078

ARLINE KING AKA ARLINE C. KING PO BOX 54473 PHOENIX, AZ 85078

THE ESTATE OF BILLIE H. SMITH 1006 KENNEY DRIVE, #A NORTON, KS 67654

ROBERT L. ARRINGTON 60 WILLOW CREEK COURT PARACHUTE, CO 81635 MELINDA D. WAY AND BEVERLY TIPTON SHERMAN AS PERSONAL REPRESENTATIVES OF THE ESTATE OF MINNA E. SWAIN 2765 SOUTH MABRY WAY DENVER, CO 80236

LORRAINE FROST 824 SOUTH HOYT STREET DENVER, CO 80226

LAURIE ULNER 1221 S E GODSEY ROAD, #11 DALLAS, OR 97338

LAURIE ULNER 15535 FERNS CORNER DALLAS, OR 97338

KATHLEEN COLLINS 15535 FERNS CORNER DALLAS, OR 97338

THE ESTATE OF BEVERLEY O'CONNOR 1221 S E GODSEY ROAD, #11 DALLAS, OR 97338

THE ESTATE OF BEVERLEY O'CONNOR 15535 FERNS CORNER DALLAS, OR 97338

ROBERT O'CONNOR 8021 LONGDALE LEMON GROVE, CA 91945 COLLEEN BUSH AKA COLLEEN M. BUSH 8726 ELLSWORTH CIRCLE SANTEE, CA 82071

JOHN PATRICK DUFFY AKA JOHN P. DUFFY PO BOX 1307 KAUNAKAKAI, HI 96748-9999 THE ESTATE OF P.E. O'CONNOR C/O MARK DENNIS O'CONNOR 4059 CORTEZ WAY SPRING VALLEY, CA 91977

MARJORIE LEE FISHER 14500 NORTH FRANK L. WRIGHT BOULEVARD, #359 SCOTTSDALE, AZ 85260

THE ESTATE OF HARRIET W. LUCKE MARJORIE LEE FISHER 14500 NORTH FRANK L. WRIGHT BOULEVARD, #359 SCOTTSDALE, AZ 85260

THE ESTATE OF ELIZABETH C. WALSH MARJORIE LEE FISHER 14500 NORTH FRANK L. WRIGHT BOULEVARD, #359 SCOTTSDALE, AZ 85260

NANCY H. FICHTER AND ALVIN KEITH FICHTER 8706 WELD COUNTY ROAD 8 BRIGHTON, CO 80603

TANYA LOCKMAN-LEEPER 7253 WELD COUNTY ROAD 6 BRIGHTON, CO 80603

NOBLE ENERGY, INC. 1625 BROADWAY, SUITE 2000 DENVER, CO 80202

MARTIN J. HARRINGTON, JR. 2236 S. JACKSON STREET DENVER, CO 80210

ENCANA OIL & GAS (USA) INC. 370 17TH STREET, SUITE 1700 DENVER, CO 80202

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 POOL ALL INTERESTS IN FIVE DESIGNATED WELLBORE SPACING UNITS ESTABLISHED FOR SECTIONS 20, 21, 28, AND 29 TOWNSHIP 1 NORTH, RANGE 67 WEST, 6 th P.M. FOR THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO)) Cause No) Docket 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 July 25, 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.			
Subscribed and sworn to before me July 16, 2013.			
Witness my hand and official seal.			
My commission expires: 3/3/15	<u> </u>		
, Ī	MARY GRACE T. GO-HOVELAND Notary Public State of Colorado		