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 APPROXIMATE 400-ACRE) Docket No
DESIGNATED WELLBORE SPACING UNITS)
LOCATED IN SECTIONS 28 AND 33,)
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 designated 400-acre wellbore spacing units to produce oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations for the following described lands:

D&C Farms 35N-33HZ Well (API No. 05-123-37890):

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

Section 28: S½SW¼ ("WSU#1")

Section 33: W1/2

D&C Farms 35C-33HZ Well (API No. 05-123-37892):

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

Section 28: S½SW¼

("WSU#2")

Section 33: W1/2

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 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, 2405, 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 400-acre wellbore spacing units for the, the D&C Farms 35C-33HZ Well and the D&C Farms 35N-33HZ Well 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.
- 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 D&C Farms 35N-33HZ 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 28: S½SW¼ ("WSU#1")

Section 33: W1/2

7. 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 D&C Farms 35C-33HZ 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 28: S½SW¼

("WSU#2")

Section 33: W1/2

- 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 D&C Farms 35N-33HZ Well and D&C Farms 35C-33HZ Well ("Wells") to the Codell and Niobrara Formations, as applicable.
- 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 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 D&C Farms 35N-33HZ Well and WSU#1 for the development of the Niobrara 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 any well in WSU#1 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 D&C Farms 35N-33HZ 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#1.
- D. Pooling all interests in the D&C Farms 35C-33HZ 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 any 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 D&C Farms 35C-33HZ 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. 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 October 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.

day of August, 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: Nancy McDonald 1099 18th Street, Suite 1800 Denver, Colorado 80202

VERIFICATION

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

Nancy McDonald of lawful age, being first duly sworn upon oath, deposes and says that she is Staff 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.

Nancy McDonald
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this 28^{44} day of August, 2013.

Witness my hand and official seal.

[SEAL]

My commission expires: 3-15-2016

EXHIBIT A Interested Parties

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 APPROXIMATE 400-ACRE) DESIGNATED WELLBORE SPACING UNITS) LOCATED IN SECTIONS 28 AND 33,) TOWNSHIP 1 NORTH, RANGE 67 WEST,) 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)			
Danielle Carroll of lawful age, and being first	duly sworn upon her oath, states and declares:		
Gas Onshore LP, and on or before September Application to be deposited in the United States M listed on Exhibit A to the Application.	Vozniak, P.C., attorneys for Kerr-McGee Oil &, 2013, caused a copy of the attached ail, postage prepaid, addressed to the parties elle Carroll		
Subscribed and sworn to before me August $\stackrel{\checkmark}{lpha}$	¹ 2 2013.		
Witness my hand and official seal.			
My commission expires: 2/2/20/5 Mota	iry Public		

MARY GRACE T. GO-HOVELAND Notary Public State of Colorado

BEFORE THE OIL & GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

KERR-MCGEE OIL & GAS ONSHORE LP FOR AN ORDER TO POOL ALL INTERESTS IN TWO APPROXIMATE 400-ACRE DESIGNATED WELLBORE SPACING UNITS LOCATED IN SECTIONS 28 AND 33, TOWNSHIP 1 NORTH, RANGE 67 WEST, 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)			
Danielle Carroll of lawful age, and being first declares:	duly sworn upon her oath, states and		
That she is a Legal Assistant at Beatty & Wo Gas Onshore LP, and on or before September 5, Application to be deposited in the United States Mailisted on Exhibit A to the Application.	2013, caused a copy of the attached		
Subscribed and sworn to before me Septem	ber <u> / </u> 2013.		
Witness my hand and official seal. My commission expires:	<u>-</u>		

EXHIBIT A Interested Parties

Geist Mineral Trust 925 Red Fir Place Loveland, CO 80538

J. Daniel Malloy and Susan R. Malloy, JT 1718 East Highway 56 Berthoud, CO 80513

Shoreline Energy Holdings, Inc. 400-209 8th Ave. St. Calgary, Alberta T2P 1B8

Ryland Royalty 6850 TPC Dr. Suite 202 McKinney, TX 75070

Shoreline Energy, Corp 5410 Highland Falls Ln. Katy, TX 77450-8107

Thomas Hill Puff 1320 Lake St. Fort Worth, TX 76102

Anthony Energy, Ltd. 7900 Monticello Dr. Granbury, TX 76049

Lennan Main, Ltd. P.O. Box 1718 Fort Worth, TX 76101

FBO Investments, LLLP P.O. Box 4210 Grand Junction, CO 81502

Fougasse Ventures, LLC 2429 Bissonnet, Suite 532 Houston, TX 77005

Argonaut Ventures, LLC P.O.Box 4210 Grand Junction, CO 81502

OGLE Enterprises, LLC P.O. Box 4210 Grand Junction, CO 81502

O. Paul Leonard, III P.O. Box 1718 Fort Worth, TX 76101 Comanche Enterprises, Inc. 1800 Shady Grove Road Weatherford, TX 76088

Daniel M. Leonard P.O. Box 471692 Fort Worth, TX 76147-1401

David P. Leonard P.O. Box 1718 Fort Worth, TX 76101

Laura Elizabeth Leonard Insurance Trust P.O. Box 1718 Fort Worth, TX 76101

GRP Energy, LP 5956 Sherry Ln, Suite 1221 Dallas, TX 75225

Alistair Holdings Management, LLC 2005 Birdcreek Dr. No. 211 Temple, TX 76502

Belton Oak Village 401K, Karen Barge Trustee 8214 Westchester Dr. Suite 735 Dallas, TX 75225

CKT Energy Investments, LLC 941 Patrician CT Fairview, TX 75069

Cole B. Ramey 2001 Ross Ave. Suite 4400 Dallas, TX 75201

Darwin D. Boscamp 5531 Winston Ct. Dallas, TX 75220

David Richardson 2301 S. Capital of Texas Austin, TX 78746

DKL Investments, LP 5531 Winston Ct. Dallas, TX 75220

Equity Trust Company, Custodian, F/B/O William A. Hamilton, IRA 611 Oak Park Dr. Brownwood, TX 76801 Gary and Judy Tedford Trust 620 Oak Bluff Fairview, TX 75069

J. Fred Perry 2501 11th St. Brownwood, TX 76801

Jon O'Sullivan 2215 Cedar Springs, Suite 1401 Dallas, TX 75201

Kastman Oil Company P.O. Box 5930 Lubbock, TX 79408

Linda Boscamp 8450 Cr. 464 Brownwood, TX 76801

Madison Capital Energy Income Fund II LP 402 Gammon Place, Suite 200 Madison, WI 53719

Madison Capital Energy income Fund III LP 402 Gammon Place, Suite 200 Madison, WI 53719

PSE Investments, LLC 5429 LBJ Frwy, Suite 400 Dallas, TX 75240

Richard J. Fairservis Living Trust, Richard J. Fairservis, Trustee 1721 Goodstein Dr. Casper, WY 82601

Roman Marketing, LLC 7209 E. Aurora Scottsdale, AZ 85266

Ronald E. Rodgers 5070 Workman Rd. Mount Perry, OH 73760

Shirley L. Goodrum 6571 Bus Hwy 287 Vernon, TX 76384

Stream Family Limited Partnership P.O. Box 40 Lake Charles, LA

Wendy O'Sullivan 5845 Lupton Dr. Dallas, TX 75225 Larry L. Schupbach 730 Virginia St Graham, TX 76450-3142

Melvin Dinner and H. Michael Miller, Trustees for the Joe Miller Liquidating Trust dated December 245, 1992 822 17th Street, #540 Greeley, CO 80631

M. H. Karsh 300 Livestock Exchange Bldg Denver, CO 80216

Patricia Lynne Lorie 1900 E. Girard Pl. #908 Englewood, CO 80113

Patricia Lynne Lorie Trust Farmers National CO., Agent P.O. Box 3480 Omaha, NE

Lee S. Silensky 741 York St. Denver, CO 80206

Andrea G. Vertner 16104 Stonebriar Dr. Parker, CO 80134

Claire L. Bray 5720 S. Kenton Wy Englewood, CO 80111

Jerome W. Karsh 630 S. Dahlia Cir. Apt. N101 Denver, CO 80246-1378

Harvey B. Karsch 400 S. Steele St. Unit 20 Denver, CO 80209

Harriet W. Lucke Unlocatable

Elizabeth C. Walsh Unlocatable

Marjorie Lee Fisher 14500 N. Frank L. Wright Blvd. Apt. #359 Scottsdale, AZ 85260-8829

Tamera L. Edleman 1209 Elizabeth St, #1A Denver, CO 80206 Edith H. Hageman, Life Estate in Royalties, and Terry J. Allan and Cherie L. MacDonald, remainderman 6718 W 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 HC1 Box 68 Clayton, KS 67629

Alvin Smith 201 West Crane Norton, KS 67654

Vern Smith 2611 East Grandview Rd. Phoenix, AZ 85032-2921

Arlene King PO Box 54473 Phoenix, AZ 85078

The Estate of Billie H. Smith-Deceased 1006 Kennedy Drive, #A Norton, KS 67654-2301

Robert L. Arrington 60 Willow Creek Ct. Parachute, CO 81635

Francis E. Swain Unlocatable

Beverly Tipton Sherman 2765 S Mabry Way Denver, CO 80236-2235

Lorraine Frost 824 S Hoyt St Denver, CO

Patrick J. O'Connor Unlocatable

The Estate of Beverly O'Connor 1221 S E Godsey Road, #11 Dallas, TX 97338

Laurie Ulner 1221 S E Godsey Road, #11 Dallas, TX 97338

Colleen Bush aka Colleen M. Bush 8726 Ellsworth Circle Santee, CA 92071

Robert O'Connor 8021 Longdale Lemon Grove, CA 91945-3040

Kathleen Collins 15535 Ferns Corner Dallas, OR 97338

John Patrick Duffy P.O. Box 1307 Kaunakakai, HI

The Estate of P.E. O'Connor c/o Mark Dennis O'Connor 4059 Cortez Way Spring Valley, CA 91977

Edward W. Swain Unlocatable

Anadarko E&P Onshore, LLC 1099 18th Street, Suite 1800 Denver, CO 80202

Kerr-McGee Oil & Gas Onshore LP 1099 18th Street, Suite 1800 Denver, CO 80201

Bayswater Exploration & Production, LLC 730 17th Street, Suite 610 Denver, CO 80202

Bayswater Blenheim Holdings, LLC 730 17th Street, Suite 610 Denver, CO 80202

PDC Energy, Inc. 1773 Sherman Street, Suite 3000 Denver, CO 80202