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 AN |) | |
| APPROXIMATE 400-ACRE DESIGNATED |) | Docket No. |
| WELLBORE SPACING UNIT LOCATED IN |) | |
| SECTIONS 7 AND 18, TOWNSHIP 1 NORTH, |) | |
| RANGE 65 WEST, 6 TH P.M. AND SECTIONS |) | |
| 12 AND 13, TOWNSHIP 1 NORTH, RANGE 66 |) | |
| WEST, 6 TH P.M., FOR THE NIOBRARA |) | |
| FORMATION, 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 an approximate 400-acre wellbore spacing unit to produce oil, gas, and associated hydrocarbons from the Niobrara Formation for the following described lands:

Pettinger 30N-18HZ Well (API No. 05-123-38022) ("Well"):

Township 1 North, Range 65 West, 6th P.M.

Section 7: SW1/4SW1/4 Section 18: W1/2W1/2

Township 1 North, Range 66 West, 6th P.M.

Section 12: SE1/4SE1/4
Section 13: E1/2E1/2

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, 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.
- 5. Pursuant to Rule 318A.e, Applicant designated an approximate 400-acre wellbore spacing unit for the Well for the production of oil, gas, and associated hydrocarbons from Niobrara Formation. Applicant notified all owners in the 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 unit 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 Well for development and operation of the Niobrara Formation underlying the following designated 400-acre wellbore spacing unit:

Township 1 North, Range 65 West, 6th P.M.

Section 7: SW1/4SW1/4
Section 18: W1/2W1/2

Township 1 North, Range 66 West, 6th P.M.

Section 12: SE1/4SE1/4
Section 13: E1/2E1/2

(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 each 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.

DATED this day of October, 2013.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

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Michael Worniak

Flizabeth 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: Dave Sullivan
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

| STATE OF COLORADO) | | |
|--|---|--|
|) ss. CITY AND COUNTY OF DENVER) | | |
| Landman for Kerr-McGee Oil & Gas Ons | first duly sworn upon oath, deposes and says that he is Staff shore LP and that he has read the foregoing Application and e to the best of his knowledge, information and belief. | |
| | D88 Il | |
| | Dave Sullivan Kerr-McGee Oil & Gas Onshore LP | |
| Subscribed and sworn to before this 17th day of October, 2013. | | |
| Witness my hand and official seal. | THE CASE | |
| [SEAL] | NOTARY 8 | |
| My commission expires: <u>2/4/2015</u> | - Kornotel Captro | |
| • | 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 400-ACRE DESIGNATED) WELLBORE SPACING UNIT LOCATED IN) SECTIONS 7 AND 18, TOWNSHIP 1 NORTH,) RANGE 65 WEST, 6 TH P.M. AND SECTIONS) 12 AND 13, TOWNSHIP 1 NORTH, RANGE 66) WEST, 6 TH P.M., FOR THE NIOBRARA) FORMATION, WATTENBERG FIELD, WELD) COUNTY, COLORADO | Cause No | | |
|---|---------------------------------|--|--|
| AFFIDAVIT OF MAILING | | | |
| STATE OF COLORADO) | | | |
|)ss. CITY AND COUNTY OF DENVER) | ٨. | | |
| Jennifer L. Pittenger of lawful age, and being states and declares: | first duly sworn upon her oath, | | |
| That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Kerr-McGee Oil & Gas Onshore LP, and on or before October <u>24</u> ¹ , 2013, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on <u>Exhibit A</u> attached hereto. | | | |
| Jennifer | L. Pittenger | | |
| Subscribed and sworn to before me October 24 2013. | | | |
| Witness my hand and official seal. | 9 | | |
| My commission expires: | | | |
| TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026 MY COMMISSION EXPIRES OCT. 4, 2017 Notary F | sa Attes | | |

Notary Public

Exhibit A Interested Parties

James Goodrick and Roxanne Goodrick 4206 Elizabeth Street Brighton, CO 80603

Allen E. Froid Sr. and Carol J. Froid, as joint tenants 4122 Sunrise Lane Brighton, CO 80603

Bruce C. Hunter and Susan Jo Hunter, as joint tenants 17965 County Road 10 Brighton, CO 80601

Lee Ann Jackson and Doyle L. Jackson 4123 37 CR Brighton, CO 80603

Waylon Allen Johnson and Stephanie R. Johnson, as joint tenants 4080 Martin Street Brighton, CO 80603

Calvin R. Allen, Jr. and Debra J. Allen, as joint tenants 17835 10 CR Brighton, CO 80603

Kerr-Mcgee Oil And Gas Onshore LP 1099 18th Street, Suite 1800 Denver, CO 80202

Noble Energy, LLC 1625 Broadway, Ste 2200 Denver CO 80202

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

Martin Brothers, LLC 17050 Eagle Street Fort Lupton, CO 80621 Joseph L. McConnell, Trustee of the Donald L. Stoutner Trust Agreement dated May 8, 2007 4119 Martin Street, Brighton, CO 80603

D. Scott Heineman and Kurt F. Johnson, Trustees of the McDaniel Family Trust 4110 Elizabeth Street, Brighton, CO 80603

David L. Tolle and Debrea S. Tolle, as joint tenants 17765 10 CR Brighton, CO 80601

J.B. Comer 1044 Galena Street Aurora, CO 80010

James Anderson and Janice Bertapelle-Anderson, as joint tenants 4120 Martin Street Brighton, CO 80603

Roger W. Watson and Tiffany N. Watson, as joint tenants 4021 Sunrise Lane Brighton, CO 80603

The Martha Lard and Shirley Handy Trust 4061 Sunrise Lane Brighton, CO 80603

Larry F. Spies and Pamela K. Spies, as joint tenants 4121 Sunrise Lane Brighton, CO 80603

James Jones and Yvonne Jones 3774 County Road 37 Brighton, CO 80603

Timothy L. Brungard 13324 Franklin Street Thornton, CO 80603 Tami L. Brugard 13324 Franklin Street Thornton, CO 80603

Theodore A. Martin and Mary F. Martin, as joint tenants 3910 WCR 37 Brighton, CO 80601

Robert C. Martin and Michael C. Martin, as joint tenants 3974 County Road 37 Brighton, CO 80603

Robert C. Martin and Michael C. Martin, as joint tenants 3974 County Road 37 Brighton, CO 80603 Tabitha Louise Majewski 2020 SW 32nd Street Moore, OK 73170

Tara Lee Majewski 2020 SW 32nd Street Moore, OK 73170

Estate of Dorothy L. Martin, Robert C. Martin – Personal Representative 3974 County Road 37 Brighton, CO 80603

Len D. Pettinger 18437 CR 8 Brighton, CO 80601

Joann Pettinger 18437 CR 8 Brighton, CO 80601

Martin Family Trust 3974 County Road 37 Brighton, CO 80603