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 15 AND 22, TOWNSHIP 2 NORTH,	
RANGE 67 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:

Whipsnake 28N-22HZ Well (API No. Pending) ("Well"):

Township 2 North, Range 67 West, 6th P.M.

Section 15: SE1/4SW1/4, SW1/4SE1/4

Section 22: E½W½, W½E½

Weld County, Colorado ("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. The Application Lands are subject to Rule 318A.

- 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 the Niobrara Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6), as applicable. Applicant did not receive 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 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 2 North, Range 67 West, 6th P.M.

Section 15: SE1/4SW1/4, SW1/4SE1/4

Section 22: E½W½, W½E½

(hereinafter the "Wellbore Spacing Unit").

- 7. That certain royalty owners whose oil and gas leases pre-date the widespread use of horizontal drilling and did not contemplate formation of horizontal wellbore spacing units under Rule 318A have not agreed to participate in the Wellbore Spacing Unit for purposes of royalty payments. Applicant has contacted each of these royalty owners, or has made diligent efforts to do so, to obtain their consent to participate in the Wellbore Spacing Unit for purposes of royalty payments. Applicant has not been able to contact some of these individuals, or has received no response from them.
 - 8. Applicant is not seeking cost recovery penalties under C.R.S. § 34-60-116(7).
- 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 Well to the Niobrara Formation on the Application Lands.
- 10. 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.
- 11. 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. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED this 77day of February, 2014.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

Robert A. Willis

Jillian Fulcher

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: R.C. "Rocky" Kimball, CPL
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

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

R.C. Kimball of lawful age, being first duly sworn upon oath, deposes and says that he is Staff Landman for Kerr-McGee Oil & Gas Onshore LP, that he has read the foregoing Application, and that the matters therein contained are true to the best of his knowledge, information and belief.

R.C. Kimball

Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this 26 day of February, 2014.

Witness my hand and official seal.

[SEAL]

My commission expires:

Notary Public

EXHIBIT A Interested Parties

Howard J. Francis and Susan P. Francis 16503 Badminton Rd N Platteville, CO 80651-9309

Emelia E. Wilmoth 601 Horizon Place Apt. 136 Grand Junction, CO 81506-1906

Emelia E. Wilmoth C/O Mary Oleson 2206 Range View Ct Grand Junction, CO 81507

Kent David Linder 4214 Carrollwood Village Dr Tampa, FL 33618

Gordon Clyde Linder 3372 S 7780 West Magna, UT 84044

Kathryn Fernandez 600 Randi Lane Hoffman Estates, IL 60169

Cheryl Wessman 2465 Tanya Ave West Jordan, UT 84088

Rosalyn Munyan 65 North 100 West Millville, UT 84326

Garth Alan Linder 8183 S Tuckford West Jordan, UT 84081 Ramona Leishman 959 East Main St Wellsville, UT 84339

Henry E. Linder 10162 Forest Springs Drive Grass Valley, CA 95949

Strear Farms Company 6825 East Tennessee #235 Denver, Co 80224

George P. Sandlin and B. Charlene Sandlin 13317 Birch Circle Thornton, CO 80241

Martha Gaspar, Karen M. Meyers, and John Neal Gaspar 1418 Mariposa Avenue Boulder, CO 80302

Parker Revocable Trust Under Amended and Restated Trust Agreement Dtd August 17, 2004 8809 W. Seldon Lane Peoria AZ, 85345

Robin A. Parker 10 Cedar Street Norwood, MA 02062

Paradize, LLC 921 Indian Peak Road Golden CO 80403

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 15 AND 22, TOWNSHIP 2 NORTH,) RANGE 67 WEST, 6 TH P.M., FOR THE) NIOBRARA FORMATION, WATTENBERG) FIELD, WELD COUNTY, COLORADO)	Cause No Docket No		
AFFIDAVIT OF MAILING			
STATE OF COLORADO)			
)ss. CITY AND COUNTY OF DENVER)			
Jennifer L. Pittenger of lawful age, and being first duly sworn upon her oath, states and declares:			
That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Kerr-McGee Oil & Gas Onshore LP, and on or before March (2014, 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 attached hereto.			
Jennifer L. Pittenger			
Subscribed and sworn to before me February <u>এ</u> 2014.			
Witness my hand and official seal.			
My commission expires: <u>いり・り サート)</u> .			
TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19094002026 MY CORRUSSIÓN EXPIRES OCT.4, 2017	eresa Ateteri		

Notary Public