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

IN THE MATTER OF AN APPLICATION BY KERR-	)	
MCGEE OIL & GAS ONSHORE LP FOR AN ORDER	)	CAUSE NO.
POOLING ALL INTERESTS IN TWO APPROXIMATE	)	
800-ACRE ESTABLISHED HORIZONTAL WELLBORE	)	DOCKET NO. To be assigned
SPACING UNITS LOCATED IN SECTIONS 5 AND 8,	)	
TOWNSHIP 1 NORTH, RANGE 67 WEST, 6 <sup>TH</sup> P.M. AND	)	
SECTIONS 29 AND 32, TOWNSHIP 2 NORTH, RANGE	)	
67 WEST, 6 <sup>TH</sup> P.M., FOR THE DEVELOPMENT/	)	
OPERATION OF THE NIOBRARA AND CODELL	)	
FORMATIONS, WATTENBERG FIELD, WELD	)	
COUNTY, COLORADO	)	

#### **APPLICATION**

Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order pooling all interests in two approximate 800-acre horizontal wellbore spacing units established for portions of Sections 5 and 8, Township 1 North, Range 67 West, 6<sup>th</sup> P.M. and Sections 29 and 32, Township 2 North, Range 67 West, 6<sup>th</sup> P.M., for development and operation of the Codell and Niobrara Formations, as applicable. In support of its Application, 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 substantial leasehold interests in the below-listed lands:

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

Section 5:

 $W^{1/2}$ 

Section 8:

N1/2NW1/4

Township 2 North, Range 67 West, 6<sup>th</sup> P.M.

Section 29:

S½SW¼

Section 32:

 $W^{1/2}$ 

Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands" and depicted in Exhibit A attached hereto.

3. 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.
- 4. Pursuant to Rule 318A., Applicant designated an approximate 800-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the NRC 29N-32HZ well (API No. Pending) for 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). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing unit within the 30-day response period.
- 5. Pursuant to Rule 318A., Applicant also designated an approximate 800-acre horizontal wellbore spacing unit, comprised of the Application Lands, for NRC 4C-32HZ well (API No. 05-123-39184) for production of oil, gas and associated hydrocarbons from the Codell Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing unit within the 30-day response period.
- 6. The NRC 29N-32HZ well and NRC 4C-32HZ well are hereinafter referred to as the "Subject Wells."
- 7. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in two approximate 800-acre horizontal wellbore spacing units established for the Application Lands for the development and operation of the Codell and Niobrara Formations, as applicable.
- 8. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application.
- 9. Further, Applicant requests 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 Subject Wells, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.
- 10. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, et seq., C.R.S., and the Commission rules.
- 11. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
- 12. That the names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in <a href="Exhibit B">Exhibit B</a> attached hereto. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing, this Commission enter its order:

- A. Pooling all interests in the Application Lands for the development and operation of the Codell and Niobrara Formations, as applicable, with the pooling order made effective as of the date of this Application.
- B. 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 Subject Wells, are pooled by operation of statute, pursuant to §34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this day of April, 2014.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

Bv:

Robert A. Willis (Colorado Bar No. 26038)

Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C.

Attorneys for Applicant

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Denver, Colorado 80202

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Address of Applicant
Kerr-McGee Oil & Gas Onshore LP
ATTN: Nikkie Nigro
1099 18<sup>th</sup> Street, Suite 1800
Denver, Colorado 80202

### **VERIFICATION**

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

Lauren Anderson, Landman II for Kerr-McGee Oil & Gas Onshore LP, upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

KERR-MCGEE OIL & GAS ONSHORE LP

Lauren Anderson

Subscribed and sworn to before me this 5th day of April, 2014, by Lauren Anderson, Landman II for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.

My commission expires: 02/03/2015

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

**Exhibit A** Application Map  $\alpha$ T1N, R67W & T2N, R67W Weld County 72N, R67W 29 T1N, R67W / Application lands -

#### EXHIBIT B

#### **INTERESTED PARTIES**

The names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this <u>Exhibit B</u>.

KERR-MCGEE OIL & GAS ONSHORE LP 1099 18TH STREET, SUITE 1800 DENVER, COLORADO 80202

ANADARKO E&P ONSHORE, LLC PO BOX 1330 HOUSTON, TX 77251-1330

ANDREW B. RICE AND IMRIE RICE ANDERSON, COTRUSTEES OF THE JAMES AND SUSAN RICE FAMILY TRUST DATED JULY 19, 1990
1424 FAWN ST
ONTARIO, CA 91762

C&M RESOURCES, LLC 16 SUNSET CIRCLE LONGMONT, CO 80501

C. ROBERT MORRIS AND SANDRA M. MORRIS, JOINT TENANTS 1200 KENWOOD PARKWAY MINNEAPOLIS, MINNESOTA 55405

CHARLES EMERSON HAMLY 7808 MULBERRY BOTTOM LANE SPRINGFIELD, VIRGINIA 22153-2311

CHARLES GRANT PO BOX 908 LONGMONT, CO 80502-0908

CHARLES STROMQUIST 12467 OXFORD ROAD LONGMONT, COLORADO 80504

COLORADO NATIONAL BANK OF DENVER, TRUSTEE PO BOX 17532 DENVER, CO 80217

COLUMBINE JERSEY FARMS, INC. 1133 PUNTA GORDA, FLORDIA 33950

CROSIER, HALL & KELLY PARTNERSHIP 5285 S LAREDO WAY CENTENNIAL, COLORADO 80015

DOROTHA STROMQUIST EKX 1097 PURDUE DRIVE LONGMONT, COLORADO 80503-3649 BEATTY & WOZNIAK, P.C. 216 16TH STREET, SUITE 1100 DENVER, COLORADO 80202

HELLEN RICE CROWE LIVING TRUST PO BOX 31101 FLAGSTAFF, ARIZONA 86003 HURLEY HOLDING CO., LLC

9 WICKERSELL CT COLUMBIA, S. CAROLINA 29212

IRENE H. HAMLY, TRUSTEE OF THE IRENE H. HAMLY TRUST PO BOX 1061 BLACK MOUNTAIN, NC 28711-1061

JAMES PERRIN RICE 733 EAST GLENHAVEN DRIVE PHOENIX AZ 85048

JAMIE MODRALL 7168 BUENA VISTA STREET PRAIRIE VILLAGE KS 66208

JERRI LYNN MODRALL DOERING 9025 SILVER BIRCH BLVD FREDERICK, COLORADO 80504

JLW INVESTMENTS, LLC 351 GLENCOE ST DENVER, COLORADO 80220

JON MCCLELLAN RICE PO BOX 352 BAILEY, CO 80421

KBL MINERAL COMPANY, LLC 410 17TH ST STE 1150 DENVER, COLORADO 80202

KIM WALLACE HARTMAN 3337 S CHESTER CT DENVER, CO 80231

LORRAINE STROMQUIST KNAUS 8152 N 119TH ST LONGMONT, COLORADO 80504 DOROTHEA STROMQUIST EKX 1097 PURDUE DRIVE, LONGMONT, CO 80503-3649

DOUGLAS GRANT 1217 FOX HILL DR LONGMONT, COLORADO 80501-5212

EDWARD L. HANKS PO BOX 572 MAYER, AZ 86333-0572

GRANT BROTHERS, LLP P O BOX 908 LONGMONT, COLORADO 80502-0908

NRC-CO 1, LLC 755 E MULBERRY AVE SAN ANTONIO, TX 78212

NRC-CO 2, LLC 755 E MULBERRY AVE SAN ANTONIO, TX 78212

NRC-CO 3, LLC 755 E MULBERRY AVE SAN ANTONIO, TX 78212

RICHARD JOHN HARTMAN 1651 ADAMS ST DENVER, CO 80206

RONALD L. ANDERSON AND IMRIE V. ANDERSON, COTRUSTEES OF THE RONALD AND IMRIE ANDERSON FAMILY TRUST DATED JULY 21, 2006
2855 BLUE SKY CIRCLE
ERIE, CO 80516

ROWLAND EMERSON HAMLY 106 TERRACE LANE INTERNATIONAL FALLS, MINNESOTA 56649 LOUISE C. NULL 7613 EAST GOLF LINKS TUCSON, ARIZONA 85730-1117

MALLARD LLC 1649 METROPOLITAN DR LONGMONT, COLORADO 80501

MARGARET BOYLE JORGENSON 46 HACIENDA CARMEL CARMEL, CALIFORNIA 93923

WALLACE GRANT PO BOX 908 LONGMONT, CO 80502-0908

ALGAR LAND & MINERAL TRUST P.O. BOX 5382 KATY, TX 77491

AQUARIUS LAND & MINERAL TRUST P.O. BOX 941332 HOUSTON, TX 77094-8332

CORNERSTONE LAND & MINERAL TRUST P.O. BOX 440783 HOUSTON, TX 77244-0783

J.M. NASH, JR. 22502 TULLIS TRAIL COURT KATY, TX 77494

PYRAMID TRUST P.O. BOX 941332 HOUSTON, TX 77094-8332

KERR-MCGEE OIL & GAS ONSHORE LP P.O. BOX 173779 DENVER, CO 80217-3779

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IN THE MATTER OF AN APPLICATION BY KERR-MCGEE OIL & GAS ONSHORE LP FOR AN ORDER POOLING ALL INTERESTS IN TWO APPROXIMATE 800-ACRE ESTABLISHED HORIZONTAL WELLBORE SPACING UNITS LOCATED IN SECTIONS 5 AND 8, TOWNSHIP 1 NORTH, RANGE 67 WEST, 6 <sup>TH</sup> P.M. AND SECTIONS 29 AND 32, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6 <sup>TH</sup> P.M., FOR THE DEVELOPMENT/OPERATION OF THE NIOBRARA AND CODELL FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO	) CAUSE NO ) DOCKET NO. To be assigned ) ) ) ) ) ) )
AFFIDAVIT OF MAILING	Ī
STATE OF COLORADO )	
CITY AND COUNTY OF DENVER )	
Jennifer Pittenger, of lawful age, and being first duly declares:	y sworn upon her oath, states and
That she is a Legal Assistant at Beatty & Wozniak, P.O. Gas Onshore LP, and on or before April 24, 2014, caused a complete be deposited in the United States Mail, postage prepaid, address <u>B</u> to the Application.	copy of the attached Application to
Subscribed and aggree to before me this	
Subscribed and sworn to before me this day of A	Aprii, 2014.
Witness my hand and official seal.	
TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026 MY COMMISSION EXPIRES OCT.4, 2017 Notary Pu	sa detus