

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) CAUSE NO. ____
POOL ALL INTERESTS IN THREE APPROXIMATE)
480-ACRE DESIGNATED HORIZONTAL WELLBORE) DOCKET NO.
SPACING UNITS LOCATED IN SECTIONS 22, 23 AND)
24, TOWNSHIP 3 NORTH, RANGE 68 WEST, 6TH 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, Jost & Shelton Energy Group, 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 three approximate 480-acre designated horizontal wellbore spacing units designated for portions of Sections 22, 23 and 24, Township 3 North, Range 68 West, 6th P.M., for development and operation of the Niobrara and Codell Formations. 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 3 North, Range 68 West, 6th P.M. WSU # 1

Section 22: E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 23: S $\frac{1}{2}$
Section 24: W $\frac{1}{2}$ SW $\frac{1}{4}$

Township 3 North, Range 68 West, 6th P.M. WSU # 2

Section 22: E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 23: S $\frac{1}{2}$
Section 24: W $\frac{1}{2}$ SW $\frac{1}{4}$

Township 3 North, Range 68 West, 6th P.M. WSU #3

Section 22: E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 23: S $\frac{1}{2}$
Section 24: W $\frac{1}{2}$ SW $\frac{1}{4}$

Weld County, Colorado

These lands are hereinafter referred to as 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. On March 17, 2014, the Commission entered Order Nos. 407-960, 407-961, 407-962, 407-963 and 407-964, however, as of the date of this filing, the Orders are not available for public review.

6. Pursuant to Rule 318A., Applicant designated three approximate 480-acre horizontal wellbore spacing units, comprised of the Application Lands, for the Benson Farms 12C-23HZ well, (API No. Pending) in WSU # 1, the Benson Farms 33N-23HZ well (API No. Pending) in WSU # 2 and the Benson Farms 13C-23HZ well (API No. Pending) in WSU #3 ("Wells"), for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. Applicant notified all owners in the proposed designated horizontal wellbore spacing units pursuant to Rule 318A.e.(6). Applicant did not receive objections to the establishment of the proposed designated horizontal wellbore spacing units within the 30-day response period.

7. Acting pursuant to the applicable Colorado Statutes and Commission Regulations, Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in three approximate 480-acre designated horizontal wellbore spacing units designated for the Application Lands for the development and operation of the Niobrara and Codell Formations.

8. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application, or, as applicable, the date that the costs specified in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Wells on the Application Lands, whichever is earlier.

9. Further, Applicant requests that any nonconsenting 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 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.

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 Exhibit 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 Niobrara and Codell Formations, with the pooling order made effective as of the date of this Application, or, as applicable, the date that the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Wells on the Application Lands, whichever is earlier.

B. Providing that the nonconsenting 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 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 17 day of April, 2014.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By: Jamie L. Jost

Jamie L. Jost

Joseph M. Evers

Jost & Shelton Energy Group, 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: Jamie Sullivan

1099 18th Street, Suite 1800

Denver, Colorado 80202

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


Jay Errebo
Project Land Advisor
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before me this 17th day of April 2014.

Witness my hand and official seal.

JAMIE SULLIVAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20114075324
MY COMMISSION EXPIRES 11/29/2015

My commission expires: 11/29/15

Janice Sullivan
Notary Public

IN THE MATTER OF THE APPLICATION OF
KERR-MCGEE OIL & GAS ONSHORE LP FOR
AN ORDER TO POOL ALL INTERESTS IN
THREE APPROXIMATE 480-ACRE
DESIGNATED HORIZONTAL WELLBORE
SPACING UNITS LOCATED IN SECTIONS 22, 23
AND 24, TOWNSHIP 3 NORTH, RANGE 68 WEST,
6TH P.M., FOR THE DEVELOPMENT/OPERATION
OF THE NIOBRARA AND CODELL
FORMATIONS, WATTENBERG FIELD, WELD
COUNTY, COLORADO

DOCKET NO.

Samuel Carvel
Notary Public

Exhibit A
Interested Party List
Benson Farms 12C-23HZ, 33N-23HZ, 13C-23HZ

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

Donald C. Hilgers Revocable Living Trust
dated 8/31/04
2322 S. Rogers #20
Mesa, AZ 85202

Donald C. Hilgers
2322 S. Rogers #20
Mesa, AZ 85202

Colorado Department of Transportation
Property Leasing Mgr: DAVID FOX
4201 East Arkansas Ave., Room 212
Denver, CO 80222

Estate of Leslie T. Major
3519 Newton Street
Denver, CO 80211

Anadarko E & P Onshore LLC
f/k/a Anadarko E & P Company, LP
1099 18th Street, Suite 1800
Denver, CO 80202

Marcia L. Green Trust
1049 Harrison
Loveland, CO 80537

Sharyl J. Harston Revocable Trust
7976 South Shawnee Street
Aurora, CO 80016

Woods Family Trust
530 Holyoke Court
Fort Collins, CO 80525

Gary Woods Family Trust
Attn: Sandra Woods
80 Comstock Place
Castle Rock, CO 80108