## 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 AN APPROXIMATE	)	, <del></del>
480-ACRE ESTABLISHED HORIZONTAL WELLBORE	)	DOCKET NO. To be assigned
SPACING UNIT LOCATED IN SECTIONS 25, 26, 27, 34,	)	_
35 AND 36, TOWNSHIP 3 NORTH, RANGE 68 WEST,	)	
6 <sup>TH</sup> P.M., FOR THE DEVELOPMENT/OPERATION OF	)	
THE NIOBRARA FORMATION, 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 an approximate 480-acre horizontal wellbore spacing unit established for portions of Sections 25, 26, 27, 34, 35 and 36, Township 3 North, Range 68 West, 6<sup>th</sup> P.M., for development and operation of the Niobrara Formation. 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, 6<sup>th</sup> P.M.

 Section 25:
 SW¹/4SW¹/4

 Section 26:
 S¹/2S¹/2

 Section 27:
 SE¹/4SE¹/4

 Section 34:
 NE¹/4NE¹/4

 Section 35:
 N¹/2N¹/2

 Section 36:
 NW¹/4NW¹/4

Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands" and depicted in <u>Exhibit A</u> 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 480-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the Douthit State 38N-27HZ well (API No. Pending) ("Well") 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. 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 and leased mineral interests, in the approximate 480-acre horizontal wellbore spacing unit established for the Application Lands for the development and operation of the Niobrara Formation.
- 6. 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.
- 7. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application.
- 8. 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 Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.
- 9. 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.
- 10. 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.
- 11. 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 approximate 480-acre horizontal wellbore spacing unit established for the Application Lands for the development and operation of the Niobrara Formation, 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 Well, 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:

Robert A. Willis (Colorado Bar No. 26038)

Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

rwillis@bwenergylaw.com

jfulcher@bwenergylaw.com

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 15th 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: \_\_\_

**KERRI DOUGAN** NOTARY ID 20114006005 MY COMMISSION EXPIRES 02/03/2015 Kerri Dorgan Notary Public

T3N, R68W Weld County

### **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 BEATTY & WOZNIAK, P.C. 216 16TH STREET, SUITE 1100 DENVER, COLORADO 80202

ALEXANDER PACE SCHNEIDER 420 THROCKMORTON SUITE 710 FORT WORTH, TX 76102-3724 CONRAD DALE HOPP 11413 WELD COUNTY ROAD #13 LONGMONT, CO 80501

ARTHUR AND RUTH ADLER LIVING TRUST, A/K/A LOVING® TRUST, DATED JANUARY 24, 1991 2806 LAKE PARK WAY LONGMONT, CO 80503

COURTENAY A. TAYLOR ROYALTY TRUST PO BOX 720429 DALLAS, TX 75372

BARBARA M. FOOS C/O GUARANTY BANK & TRUST ATTN: SARAH STERKEL PO BOX 1159 LONGMONT, CO 80502 DALE ADLER 7083 INGALLS STREET ARVADA, CO 80003-3720

BRETT G. TAYLOR ROYALTY TRUST PO BOX 9 ALEDO, TX 76008 DOUTHIT MINERALS, LLC 4886 STATE HWY 66 LONGMONT, CO 80504

CAROLYN ROE 1788 W 113TH AVE. DENVER, CO 80234-2606 ECAP III & COMPANY 420 THROCKMORTON SUITE 710 FORT WORTH, TX 76102-3724

CENTENNIAL BANK OF THE WEST, TRUSTEE OF THE EDWIN ANDERSON FAMILY TRUST ATTN: AMY LOVELL CONTROLLER 100 OAK AVE EATON, CO 80615

EQUITY TRUST COMPANY, CUSTODIAN FBO WILLIAM K. GOEKEN IRA 15683 CESSNA ROAD JUSTIN, TX 76247

COLORADO DEPARTMENT OF TRANSPORTATION ATTN: DAVID FOX 15285 S. GOLDEN ROAD BLDG 47 GOLDEN, CO 80401

EVA JANE KONG 19803 REDBEAM AVE TORRANCE, CA 90503-1137

FLOYD ADLER 401 WESTVIEW COURT LONGMONT, CO 80501-5223 LOUISE ANDERSON C/O GUARANTY BANK & TRUST ATTN: SARAH STERKEL PO BOX 1159 LONGMONT, CO 80502

JAMES E. ANDERSON 6876 COUNTY ROAD 5 ERIE, CO 80516 LOWRY ENERGY PARTNERS ATTN: LEN LOWRY 1106 ASPEN COURT ROCKWALL, TX 75087

JENNIFER LEIGH PACE 420 THROCKMORTON SUITE 710 FORT WORTH, TX 76102-3724 MARTHA ANN HOPP 11413 WELD COUNTY ROAD 13 LONGMONT, COLORADO 80501 JERALD OIL, LLC 3835 E HARMONY AVE. MESA, AZ 85206

JOSEPHINE E. ANDERSON C/O GUARANTY BANK & TRUST ATTN: SARAH STERKEL PO BOX 1159 LONGMONT, CO 80502

KENT S. AND ROBIN L. BOOMER REVOCABLE TRUST 119 HIGHLAND DRIVE ALEDO, TX 76008

KLABZUBA OIL & GAS, INC. PO BOX 961102 FORT WORTH, TX 76161-1102

LEIGH S. TAYLOR 420 THROCKMORTON SUITE 710 FORT WORTH, TX 76102-3724

LILY WOODEN 712 WEST STREET FORT MORGAN, CO 80701-2839

LINDA L. ADLER 2210 69TH AVENUE GREELEY, COLORADO 80634

ROSE C. HANSEN TRUST, DATED JULY 22, 1998 PAUL W & ROSE C HANSEN, TRUSTEES 6625 WELD COUNTY ROAD 5 ERIE, COLORADO 80516

SARAH SYKES LAMENSDORF 420 THROCKMORTON SUITE 710 FORT WORTH, TX 76102-3724

SARATOGA OIL, LTD. 420 THROCKMORTON SUITE 710 FORT WORTH, TX 76102-3724

SECOND ROYALTY LLC 9800 MT PYRAMID CT #340 ENGLEWOOD, CO 80112

SHIRLEY ANDERSON 630 LOOMIS COURT LONGMONT, CO 80501-4753

THE ROACH FOUNDATION FORT WORTH CLUB TOWER PEN II-J 777 TAYLOR STREET FORT WORTH, TX 76102-4919

THE TRUSTEES OF THE WILLIAM EDWARDS TRUST MOUNTAIN PARKS BANK PO BOX 1704 BOULDER, CO 80308-7040 MARY MCCAIN 6660 VAN GORDON COURT ARVADA, CO 80004-2440

MICHAEL C. BARTON AND KATHRYN S. BARTON 1412 KEENELAND HILL ALEDO, TX 76008

MICHAEL U. SIEGRIST 875 WEST 64TH AVENUE DENVER, CO 80221

MICHELLE L. SANDOVAL 875 WEST 64TH AVENUE DENVER, CO 80221

PALLAS MINERALS, LLC 302 FAIRWAY COURT WEATHERFORD, TX 76087

REMLAP, LLC ATTN: MICHAEL PALMER 2319 COLONIAL PKWY, FORT WORTH, TX 76109

ROBERT L. SIEGRIST 13774 E 1-25 FRONTAGE ROAD LONGMONT, COLORADO 80504

THE BILLY R. TAYLOR AND JOYCE C. TAYLOR TRUST 210 WILLOWWOOD LANE LEVELLAND, TX 79336

THE BURNETT FOUNDATION, A TEXAS NON-PROFIT CORPORATION 801 CHERRY STREET, UNIT 16, SUITE 1585 FORT WORTH, TX 76102

THE GLEN S. DOUTHIT IRREVOCABLE MARITAL TRUST 4886 STATE HWY 66 LONGMONT, CO 80504-9613

THE HIGHLAND DITCH COMPANY P.O. BOX 649 MEAD, CO 80542-0649

THE ROACH 2002 TRUST II FORT WORTH CLUB TOWER PEN II-J 777 TAYLOR STREET FORT WORTH, TX 76102-4919

VICKI LYNN STEPHENSON P.O. BOX 65 MEAD, CO 80542

WILMA L. GANTZ REVOCABLE TRUST 2306 CALLE DE RAFAEL NE ALBUQUERQUE, NM 87122

TIMOTHY I. AND GINNY L. BUTTERFIELD REVOCABLE TRUST 185 LAKEVIEW DRIVE ALEDO, TX 76008

TRINITY MINERALS, A JOINT VENTURE ATTN: MARY ANN GIORDANO PO BOX 17418 FORT WORTH, TX 76102

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

WINIFRIED J. SIEGRIST 875 WEST 64TH AVENUE DENVER, CO 80221

STATE OF COLORADO 1127 SHERMAN ST, STE 300 DENVER, CO 80203 CARMA BAYSHORE LLC 188 INVERNESS DRIVE STE 150 ENGLEWOOD, CO 80112

# 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 POOLING ALL INTERESTS IN AN APPROXIMATE  480-ACRE ESTABLISHED HORIZONTAL WELLBORE SPACING UNIT LOCATED IN SECTIONS 25, 26, 27, 34,  35 AND 36, TOWNSHIP 3 NORTH, RANGE 68 WEST, 6 <sup>TH</sup> P.M., FOR THE DEVELOPMENT/OPERATION OF THE NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO	CAUSE NO  DOCKET NO. To be assigned				
AFFIDAVIT OF MAILING					
STATE OF COLORADO ) )ss. CITY AND COUNTY OF DENVER )					
Jennifer 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 April 24, 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 B to the Application.					

Jennifer Pittenger

Subscribed and sworn to before me this 17

\_ day of April, 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 Public

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

IN THE MATTER OF THE PROMULO ESTABLISHMENT OF FIELD RULES OPERATIONS FOR THE NIOBRARA I WATTENBERG FIELD, WELD COLORADO	TO GOVERN	)	CAUSE NO. 407  DOCKET NO. 1406-UP-165
SUPPLI	EMENTAL AF	FID	AVIT OF MAILING
STATE OF COLORADO	)		
CITY AND COUNTY OF DENVER	)ss. )		

Jillian Fulcher, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Kerr-McGee Oil & Gas Onshore LP, and that on or before August 26, 2014 she caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the party listed below.

Paul W. Hansen Living Trust Dated July 22, 1998, Paul W. & Rose C. Hansen, Trustees 6625 Weld County Road 5 Erie, CO 80516

Jillian Fulcher

Subscribed and sworn to before me August 26, 2014.

Witness my hand and official seal.

JENNIFER PITTENGER
Notary Public
State of Colorado
Notary ID 20134062771
My Commission Expires Sep 27, 2017

Notary Public