

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. ____
SUBJECTING ALL NONCONSENTING INTERESTS TO	)	
COST RECOVERY FOR THE HOWARD FEDERAL 40N-	)	DOCKET NO. <i>To be assigned</i>
22HZ WELL IN AN ESTABLISHED APPROXIMATE	)	
480-ACRE POOLED HORIZONTAL WELLBORE	)	
SPACING UNIT LOCATED IN SECTIONS 22, 23, 26	)	
AND 27, TOWNSHIP 1 NORTH, RANGE 67 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 subjecting all nonconsenting interests to cost recovery for the Howard Federal 40N-22HZ well (API No. 05-123-38235) ("Well"), located in an approximate 480-acre pooled horizontal wellbore spacing unit established for portions of Sections 22, 23, 26 and 27, Township 1 North, Range 67 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 1 North, Range 67 West, 6th P.M.

Section 22:	E½SE¼
Section 23:	W½SW¼
Section 26:	W½W½
Section 27:	E½E½

Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands".

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 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. On October 28, 2013, the Commission entered Order No. 407-892 which, among other things, pooled all interests in the approximate 480-acre horizontal wellbore spacing unit established for the Application Lands, for development and operation of the Niobrara Formation. Order No. 407-892 did not subject nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S. for the Well.

6. Acting pursuant to the relevant provisions of §34-60-116(7), C.R.S., and Rule 530., 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 thereof.

7. 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.

8. 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.

9. That the names and addresses of the interested parties (persons with whom Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well) 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:

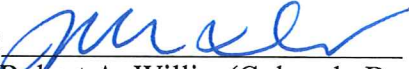
A. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 17<sup>th</sup> 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)  
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jfulcher@bwenergylaw.com

Address of Applicant

Kerr-McGee Oil & Gas Onshore LP  
ATTN: Gordon R. Palmer  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80202

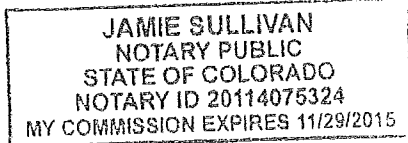
STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

KERR-MCGEE OIL &amp; GAS ONSHORE LP

Gordon R. Palmer

Witness my hand and official seal.

My commission expires: 11/29/15



Notary Public

## EXHIBIT A

### INTERESTED PARTIES

The names and addresses of the interested parties (persons with whom Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well) according to the information and belief of the Applicant are set forth in this Exhibit A.

Kerr-McGee Oil & Gas Onshore LP  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, Colorado 80202

Beatty & Wozniak, P.C.  
216 16th Street, Suite 1100  
Denver, Colorado 80202

David C. Penn  
1050 17th Street, Suite 2000  
Denver, CO 80265

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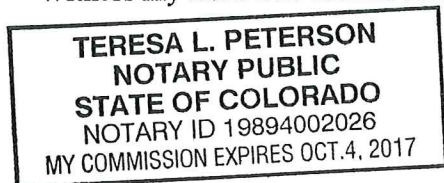
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:


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<sup>th</sup>, 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 to the Application.

  
Jennifer Pittenger

Subscribed and sworn to before me this 17<sup>th</sup> day of April, 2014.

Witness my hand and official seal.



  
Notary Public