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)	
720-ACRE ESTABLISHED HORIZONTAL WELLBORE)	DOCKET NO. To be assigned
SPACING UNIT LOCATED IN PORTIONS OF)	<u> </u>
SECTIONS 35 AND 36, TOWNSHIP 3 NORTH, RANGE)	
68 WEST, 6 TH P.M. AND SECTION 31, TOWNSHIP 3)	
NORTH, RANGE 67 WEST, 6 TH P.M., FOR THE)	
DEVELOPMENT/OPERATION OF THE)	
CODELL/NIOBRARA 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 an approximate 720-acre horizontal wellbore spacing unit established for portions of Sections 35 and 36, Township 3 North, Range 68 West, 6th P.M. and Section 31, Township 3 North, Range 67 West, 6th P.M., for development and operation of the Codell/Niobrara 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.

Section 35:

S½N½, N½S½

Section 36:

N½S½, S½N½

Township 3 North, Range 67 West, 6th P.M.

Section 31:

SW1/4NW1/4, NW1/4SW1/4

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 720-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the St. Acacius State 40C-36HZ well (API No. Pending) ("Well") for production of oil, gas and associated hydrocarbons from the Codell/Niobrara Formations. 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 720-acre horizontal wellbore spacing unit established for the Application Lands for the development and operation of the Codell/Niobrara Formations.
- 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 Exhibit B 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 720-acre horizontal wellbore spacing unit established for the Application Lands for the development and operation of the Codell/Niobrara Formations, 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 ifulcher@bwenergylaw.com

Address of Applicant
Kerr-McGee Oil & Gas Onshore LP
ATTN: R.C. Kimball, CPL
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

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

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

KERR-MCGEE OIL & GAS ONSHORE LP

R.C. Kimball

Notary Public

Subscribed and sworn to before me this _____ day of April, 2014, by R.C. Kimball, Staff Landman for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.

My commission expires: \o-o--

TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026

MY COMMISSION EXPIRES OCT.4, 2017

Exhibit A Application Map T3N, R67W T3N, R67W & T3N, R68W T3N, R68W Weld County 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 $1099\ 18^{TH}$ STREET, SUITE 1800

DENVER, CO 80202

ROBERT L. SIEGRIST 875 WEST 64TH AVENUE DENVER, CO 80221

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

VARRA COMPANIES, INC. A COLORADO CORPORATION 8120 GAGE STREET FREDERICK, CO 80516

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

ANDARKO E&P ONSHORE, LLC 1099 18TH STREET, SUITE 1800 DENVER, CO 80202

JERALD OIL, LLC, A COLORADO LLC ATTN: JERALD ADLER, MGR 3835 E. HARMONY AVE MESA, AZ 85206

SHIRLEY ANN'S OIL, LLC, A COLORADO LLC 630 LOOMIS CT LONGMONT, CO 80501

MARY MCCAIN 6660 VAN GORDON CT ARVADA, CO 80004 BEATTY & WOZNIAK, P.C. 216 16TH STREET, SUITE 1100 DENVER, COLORADO 80202

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

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

GOULD MINERAL INTERESTS, LLC A COLORADO LLC 12148 WELD COUNTY ROAD 13 LONGMONT, CO 80504

ROSE C. HANSEN LIVING TRUST, DATED 7/22/1998 6625 WELD COUNTY ROAD 5 ERIE, CO 80516

FLOYD ADLER 401 WESTVIEW COURT LONGMONT, CO 80501

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

EVA JANE KONG 19803 REDBEAM AVE TORRANCE, CA 90503

CAROLYN ROE 1788 WEST 113TH AVE DENVER, CO 80234 LILY WOODEN 712 WEST STREET FORT MORGAN, CO 80701 GEORGIA LEHR AND THE JENNIFER GERBER SPECIAL NEEDS TRUST U/A DATED 2/9/10, C/O GEORGIA LEHR, TRUSTEE 6362 S. REED CT LITTLETON, CO 80123

CONRAD DALE HOPP AND MARTHA ANN HOPP 11413 WELD COUNTY ROAD #13 LONGMONT, CO 80501 DOUGLAS A. TIEFEL PO BOX 17130 BOULDER, CO 80308

RIVER RUNS THROUGH IT, LLC PO BOX 17130 BOULDER, CO 80308 STATE OF COLORADO, STATE BOARD OF LAND COMMISSIONERS 1127 SHERMAN ST, #300 DENVER, CO 80203

ANDERSON SOUTH FARM LLC C/O JAMES E. ANDERSON 6876 COUNTY ROAD 5 ERIE, CO 80516 BURNETT FOUNDATION A TEXAS NON-PROFIT CORPORATION 801 CHERRY STREET, UNIT 16, SUITE 1585 FORT WORTH, TX 76102

SARATOGA OIL, LTD, A TEXAS LIMITED PARTNERSHIP 420 THROCKMORTON, SUITE 710 FORT WORTH, TX 76102-3724 TRINITY MINERALS, A JOINT VENTURE ATTN: MARY ANN GIORDANO PO BOX 17418, FORT WORTH, TX 76102

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

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

KLABZUBA OIL & GAS INC., A TEXAS CORPORATION PO BOX 961102 FORT WORTH, TX 76161-1102 BRETT G. TAYLOR ROYALTY TRUST PO BOX 9 ALEDO, TX 76008

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

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

SARAH SYKES LAMENSDORF 420 THROCKMORTON, SUITE 710 FORT WORTH, TX 76102-3724 PALLAS MINERALS, LLC 302 FAIRWAY COURT WEATHERFORD, TX 76087

EQUITY TRUST COMPANY CUSTODIAN FBO WILLIAM G. GOEKEN IRA 15683 CESSNA ROAD JUSTIN, TX 76247 LOWRY ENERGY PARTNERS ATTN: LEN LOWRY 1106 ASPEN COURT ROCKWALL, TX 75087 REMLAP, LLC ATTN: MICHAEL PALMER 2319 COLONIAL PKWY FORT WORTH, TX 76109

ECAP III & COMPANY 420 THROCKMORTON, SUITE 710 FORT WORTH, TX 76102-3724

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

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

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

JAMES E. ANDERSON 6876 COUNTY ROAD 5 ERIE, CO 80516

BARBARA M. FOOS C/O GUARANTY BANK & TRUST ATTN: SARAH STERKEL PO BOX 1159 LONGMONT, CO 80502

WATERFRONT AT FOSTER LAKE, LLC, a COLO LLC 5290 DTC PKWY, SUITE 150 ENGLEWOOD, CO 80111

ANDERSON HOMESTEAD LLC, A COLO LLC C/O JAMES E. ANDERSON 6876 COUNTY ROAD 5 ERIE, CO 80516 JENNIFER LEIGH PACE 420 THROCKMORTON, SUITE 710 FORT WORTH, TX 76102-3724

ALEXANDER PACE SCHNEIDER 420 THROCKMORTON, SUITE 710 FORT WORTH, TX 76102-3724

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

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

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

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

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

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

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 720-ACRE ESTABLISHED HORIZONTAL WELLBORE SPACING UNIT LOCATED IN PORTIONS OF SECTIONS 35 AND 36, TOWNSHIP 3 NORTH, RANGE 68 WEST, 6 TH P.M. AND SECTION 31, TOWNSHIP 3 NORTH, RANGE 67 WEST, 6 TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL/NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO) (CAUSE NO) (DOCKET NO. To be assigned) () () () () () () () () () () () () ()
AFFIDAVIT OF MAILING	$\hat{\underline{I}}$
STATE OF COLORADO))ss. CITY AND COUNTY OF DENVER)	
Jennifer Pittenger, of lawful age, and being first dul 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 composited in the United States Mail, postage prepaid, address B to the Application.	copy of the attached Application to
Jennifer F Subscribed and sworn to before me this day of A	her Hunger Pittenger April, 2014.
Witness my hand and official seal.	
MARY GRACE T. GO-HOVELAND Notary Public State of Colorado	10tic/3/3/15