

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN THE WATTENBERG FIELD,) DOCKET NO. 1109-EX-14
WELD COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On December 19, 1983, the Commission issued Order No. 407-1 (amended on March 29, 2000), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons for the Codell Formation underlying certain lands, including Section 27, Township 3 North, Range 66 West, 6th P.M., with the unit to be designated by the operator upon drilling the first well in the quarter section. The permitted well shall be located in the center of either 40-acre tract within the unit with a tolerance of 200 feet in any direction. The operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit.

On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Niobrara Formation underlying certain lands, including Section 27, Township 3 North, Range 66 West, 6th P.M., with the permitted well locations in accordance with the provisions of Order No. 407-1.

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, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. Section 27, Township 3 North, Range 66 West, 6th P.M. was included in this Rule. Rule 318A.f. provides that there shall be no more than eight producing completions in the Codell or Niobrara Formations in any 160-acre governmental quarter section.

On July 20, 2011, Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee" or "Applicant"), by its attorneys, filed with the Commission a verified application for an order to: (1) approve a variance from Rule 318A.f. to authorize a total of up to eleven (11) producing completions for the NW¼ of Section 27, Township 3 North, Range 66 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation, and authorize a total of up to eleven (11) producing completions for the NW¼ of said Section 27, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; (2) approve a variance from Rule 318A.f. to authorize a total of up to ten (10) producing completions for the SW¼ of said Section 27, for the production of oil, gas and associated hydrocarbons from the Codell Formation, and authorize a total of up to nine (9) producing completions for the SW¼ of said Section 27, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; (3) approve a variance from Rule 318A.f. to authorize a total of up to eleven (11) producing completions for the NE¼ of said Section 27, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; (4) approve a variance from Rule 318A.f. to authorize a total of up to nine (9) producing completions for the SE¼ of said Section 27, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and (5) approve exception locations for the below-listed wells (the "Barclay wells") from the Rule 318A.a. surface drilling locations for good cause, which includes a surface use agreement, or alternatively, the consent of the surface owner"):

Well Name/Number
Barclay #4N-27HZ
Barclay #4C-27HZ
Barclay #29N-27HZ
Barclay #29C-27HZ
Barclay #3N-27HZ
Barclay #28C-27HZ
Barclay #28N-27HZ
Barclay #2N-27HZ
Barclay #27N-27HZ

Kerr-McGee has indicated that the Barclay wells will be drilled concurrently from a multi-well pad which will minimize impact to the surface and environment.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Monday, September 19, 2011
Tuesday, September 20, 2011

Time: 9:00 a.m.

Place: City & County of Broomfield
City & County Building – Council Chambers
One DesCombes Drive
Broomfield, CO 80020

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than September 2, 2011, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of September 6, 2011.** Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **September 2, 2011, the Applicant may request that an administrative hearing be scheduled during the week of September 6, 2011.** In the alternative, pursuant to Rule 511., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By


Robert A. Willis, Acting Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
August 9, 2011

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