

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

IN THE MATTER OF AN APPLICATION BY	)	Cause No. 407
KERR-MCGEE OIL & GAS ONSHORE LP	)	
FOR AN ORDER ESTABLISHING AN	)	Docket No. 191000617
APPROXIMATE 1,440-ACRE DRILLING	)	
AND SPACING UNIT AND APPROVING A	)	Type: SPACING
TOTAL OF UP TO FOURTEEN	)	
HORIZONTAL WELLS WITHIN THE UNIT,	)	
WITH WELL LOCATION RULES FOR THE	)	
DRILLING OF WELLS AND PRODUCING	)	
OF OIL, GAS, AND ASSOCIATED	)	
HYDROCARBONS FROM THE NIOBRARA	)	
AND CODELL FORMATIONS COVERING	)	
CERTAIN LANDS IN SECTIONS 14, 15	)	
AND 16, TOWNSHIP 4 NORTH, RANGE 67	)	
WEST, 6TH P.M., WATTENBERG FIELD,	)	
WELD COUNTY, COLORADO	)	

APPLICATION

Kerr-McGee Oil & Gas Onshore LP, Operator No. 47120 ("Kerr-McGee" or "Applicant"), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing an approximate 1,440-acre drilling and spacing unit for all of Section 14, all of Section 15, and the E½E½ of Section 16, Township 4 North, Range 67 West, 6th P.M., and approving a total of up to fourteen (14) horizontal wells within the unit, with well location rules for the drilling of wells and producing of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. In support of its Application, Applicant states as follows:

1. Applicant is a limited partnership duly authorized to conduct business in Colorado, and is a registered operator with the Commission.
2. Applicant, owns leasehold interest and/or the right to drill, and is an Owner as defined by Commission rules, in the following lands ("Application Lands"):

Township 4 North, Range 67 West, 6th P.M.

Section 14: All

Section 15: All

Section 16: E½E½

1,440 acres, more or less, Weld County, Colorado

A reference map depicting the Application Lands is attached hereto.

3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended on August 8, 2011 to, among other things, address the drilling of horizontal wells and requires that a horizontal wellbore spacing unit must include any governmental quarter-quarter section that are located less than 460' from the completed interval of the wellbore lateral. Rule 318A further allows for overlapping horizontal wellbore spacing units. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

4. 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 Codell-Niobrara Formations.

5. On November 16, 1992, the Commission entered Order No. 407-125, which established 320-acre drilling and spacing units for vertical wells drilled and completed or recompleted in the Dakota, "J" Sand, Codell, Niobrara, Sussex and Shannon Formations, where the production is commingled or dually completed with the Dakota and "J" Sand Formations underlying a Codell-Niobrara Spaced Area.

6. There are numerous vertical and/or directional wells producing from the Niobrara and Codell Formations within the Application Lands that are subject to vertical spacing and pooling orders. Applicant requests that any such vertical wells continue to be governed by Order No. 407-87, 407-125, and/or all other applicable Commission Rules and Orders, and that production continue to be distributed in accordance therewith.

7. The Application Lands are further subject to numerous orders pooling all interests within designated Rule 318A designated wellbore spacing units. Applicant maintains that Rule 318A allows for overlapping units, and that the pooling orders described below are unaffected by this Application.

Order No.	Lands	Wells
407-744	4N 67W Section 13 (W2W2), Section 14 (E2E2)	Stroh PC O 13-79HN Well (API No. 05-123-35465)
407-1119	4N 67W Section 10 (S2SE), Section 15 (N2NE)	Purvis 10TD Well (API No. 05- 123-32473)
407-1390	4N 67W Section 13 (W2SW), Section 14 (E2SE), Section 23 (E2E2), Section 24 (W2W2)	Stroh 13G-203 Well (API No. 05-123-39937)
407-1518	4N 67W Section 11 (S2SE), Section 12 (S2S2), Section 13	Schneider HD 11-392HN Well (API No. 05-123-41747), Schneider HD 11-369HN Well

	(N2N2), Section 14 (N2NE)	(API No. 05-123-41744)
407-2042	4N 67W Section 11 (S2S2), Section 12 (S2S2), Section 13 (N2N2), Section 14 (N2N2)	Schneider HD 11-382HNX Well (API No. 05-123-44685)

Each of the above-described wells is located on a 318A designated wellbore spacing unit, and is not within the requested inter-well setback of Applicant's intended horizontal wells. Applicant requests that the above described wells continue to be governed, and that proceeds continue to be distributed, in accordance with their applicable rules and pooling orders.

8. To promote efficient drainage, and to assist in preventing waste, Applicant requests that the Commission establish an approximate 1,440-acre drilling and spacing unit for the following-described Application Lands, and approve up to fourteen (14) horizontal wells within the unit, with the treated interval of the permitted wells within the unit located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore producing from the same common source of supply, unless the Director grants an exception:

Township 4 North, Range 67 West, 6th P.M.

Section 14: All

Section 15: All

Section 16: E½E½

9. Applicant maintains that the Application will allow for efficient drainage of the Niobrara and Codell Formations, will prevent waste, will protect correlative rights, and will assure a greater ultimate recovery of oil, gas and associated hydrocarbons.

10. The drilling and spacing unit is not smaller than the maximum area that can be drained by the wells within such unit drilled to the requested boundary setbacks, and Applicant's request will have no adverse effect on correlative rights of adjacent owners.

11. Applicant's proposed surface location lies in the N½SW¼ of Section 15, Township 4 North, Range 67 West, 6th P.M., within unincorporated Weld County, Colorado. Weld County is the local government with jurisdiction over the Location. Weld County has waived its right to have Weld County Oil and Gas Location Assessment ("WOGLA") permitting complete ("disposition") prior to DSU approval as contemplated by C.R.S. §34-60-116(1)(a)(I).

12. Applicant maintains that this Application complies with Section 34-60-106(2.5)(a), C.R.S., and will submit sworn written testimony in specific satisfaction of this requirement.

13. Applicant owns more than 45% of the leasehold and/or working interest within the Application Lands. Applicant does not anticipate the filing of a statutory pooling application in this unit.

14. Applicant intends to file Form 2s and a Form 2A for development of this unit, which will be consistent with the relief requested in this Application.

15. The names and addresses of the interested parties, pursuant to Rule 507.b.(1), Rule 507.c., and Rule 507.d., will be submitted to the Commission in accordance with Rule 507.a.(2). Applicant certifies that copies of this Application will be served on all locatable interested parties at least sixty (60) days prior to the date of the hearing for this Application, as required by Rule 507.a.(1).

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 consistent with Applicant's proposals as set forth above.

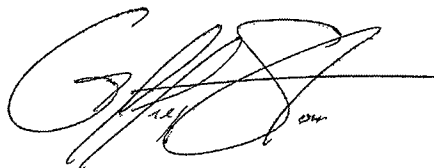
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DATED this 3<sup>rd</sup> day of July, 2019.

Respectfully submitted,

**KERR-MCGEE OIL & GAS ONSHORE LP**

WELBORN SULLIVAN MECK & TOOLEY, P.C.

A handwritten signature in black ink, appearing to read 'JPierzchala', with a horizontal line extending to the right.

By: \_\_\_\_\_

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Geoffrey W. Storm  
Welborn Sullivan Meck & Tooley, P.C.  
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Operator Representative:

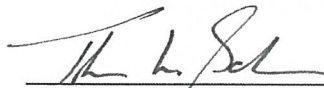
Name: Thomas Schorr  
Email: thomas.schorr@anadarko.com  
Phone: (720) 929-3184  
Address: 1099 18th Street, Suite 1800  
Denver, CO 80202

**VERIFICATION**

STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF DENVER    )

Thomas Schorr, 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.


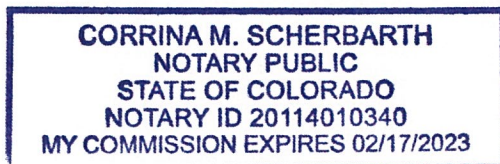
KERR-MCGEE OIL & GAS ONSHORE LP



Thomas Schorr  
Landman, Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before me this 3<sup>rd</sup> day of July, 2019, by Thomas Schorr, Landman for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.

  
Notary Public

**EXHIBIT A**  
**Interested Parties**

**Weld County**

Jason Maxey  
Department of Planning Services  
1555 North 17<sup>th</sup> Ave.  
Greeley CO 80631

**Town of Milliken**

Pepper McClenahan  
Town of Milliken  
PO Box 290  
Milliken CO 80543

**Colorado Division of Wildlife**

Northeast Region Office  
6060 Broadway  
Denver, CO 80216

**Colorado Department of Public Health and Environment**

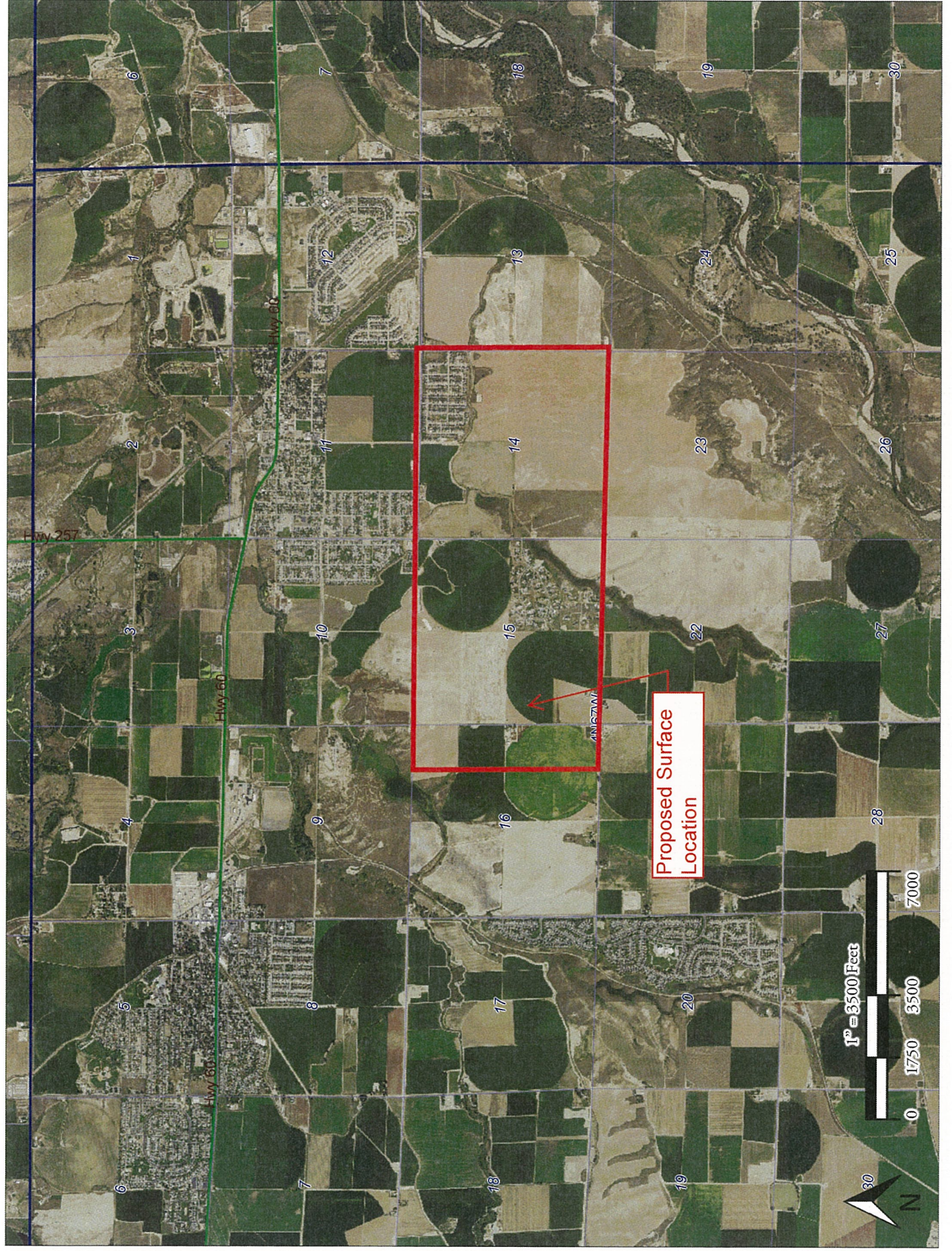
Attn: Oil and Gas Liaison  
4300 Cherry Creek Dr. South  
Denver, CO 80246-1530

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## **Exhibit A**

### **Kerr-McGee Oil & Gas Onshore LP, List of Interested Parties for Spacing Application**

# Application Lands



This map displays a grid of 30 sections, numbered 1 through 30. A red rectangle highlights a specific area in the center, labeled "Proposed Surface Location" with an arrow. The map includes major roads like Hwy 60 and Hwy 257, and smaller roads like Quentine Ave and Elm St. A scale bar at the bottom indicates 1 inch equals 3500 feet, and a north arrow is also present.

