

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

IN THE MATTER OF THE APPLICATION OF )  
KERR-MCGEE OIL & GAS ONSHORE LP FOR )  
AN ORDER POOLING ALL INTERESTS IN A )  
DESIGNATED 320 ACRE WELLBORE )  
SPACING UNIT FOR THE CODELL )  
FORMATION LOCATED IN SECTIONS 2 AND )  
3, TOWNSHIP 2 NORTH, RANGE 65 WEST, )  
6<sup>TH</sup> P.M, IN THE WATTENBERG FIELD, WELD )  
COUNTY, COLORADO )

Cause No. \_\_\_\_\_

Docket No. \_\_\_\_\_

APPLICATION

COMES NOW Kerr-McGee Oil & Gas Onshore LP (referred to herein as "Applicant"), by and through its undersigned attorneys, and makes application to the Colorado Oil and Gas Conservation Commission ("Commission"), for an order to pool all interests for the drilling of one (1) horizontal well, the Cannon 37C-3HZ (API No. Pending) to produce oil, gas, and associated hydrocarbons from the Codell Formation, as applicable, located in Sections 2 and 3 Township 2 North, Range 65 West, 6<sup>th</sup> P.M. Weld County, Colorado. In support thereof, the 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 certain leasehold interests in the following lands requested for pooling:

Township 2 North, Range 65 West

Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 3: E $\frac{1}{2}$ E $\frac{1}{2}$

320 acre, more or less, Weld County, Colorado  
(hereinafter referred to as the "Application Lands" or "Wellbore Spacing Unit").

3. 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 Codell and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

4. 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 Formation 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. The lands encompassing the Wellbore Spacing Unit are subject to this Rule for the Codell Formation.

5. On August 8, 2011, the Commission amended Rule 318A to allow for the drilling of horizontal wells within the GWA area and the designation of horizontal well wellbore spacing units pursuant to Rule 318A(4).D. The amended Rule 318A was effective on September 30, 2011. The Application Lands and the designated Wellbore Spacing Unit are subject to this Rule for the Codell Formation.

6. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) seeks an order pooling all interests for the development of the Codell Formation, including any nonconsenting interests therein, for the Cannon 37C-3HZ horizontal well located within the Wellbore Spacing Unit. A Well Location Certificate for the Cannon 37C-3HZ Well is attached hereto. Applicant is a majority leasehold owner in the Codell Formation in the Wellbore Spacing Unit.

7. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Cannon 37C-3HZ well in the Wellbore Spacing Unit for the development of the Codell Formation on the Application Lands.

8. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be, or has already been, offered the opportunity to lease, or to participate in the drilling of the well, and will be provided with the information required by Rule 530. The interested parties list shall be filed with the Commission no later than seven (7) days after the filing of this application.

9. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Codell Formation, including any nonconsenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests for the development of the Codell Formation, including any nonconsenting interests therein, for the Cannon 37C-3HZ well in the Wellbore Spacing Unit for the development of the Codell Formation.

B. Providing that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7) are first incurred for the drilling of the Cannon 37C-3HZ well in the Wellbore Spacing Unit for the development of the Codell Formation on the Application Lands.

C. 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 authorized horizontal well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), with respect to all horizontal wells drilled to develop the Codell Formation in the Wellbore Spacing Unit on the Application Lands.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

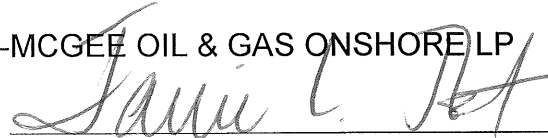
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August, 2012, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this 21<sup>st</sup> day of June, 2012.

Respectfully submitted:

KERR-MCGEE OIL & GAS ONSHORE LP

By:



Jamie L. Jost  
Elizabeth Y. Gallaway  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16th Street, Suite 1100  
Denver, Colorado 80202

Applicant's Address:

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

VERIFICATION

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

Dave Sullivan, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for Kerr-McGee Oil & Gas Onshore LP and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.



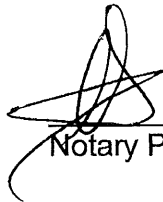
\_\_\_\_\_  
Dave Sullivan, Senior Landman

Subscribed and sworn to before this 21 day of June, 2012.

Witness my hand and official seal.

[SEAL]

My commission expires



\_\_\_\_\_  
Notary Public

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

Kerr-McGee Oil & Gas Onshore LP  
1099 18th Street, Suite 1800  
Denver, CO 80202

Noble Energy, Inc.  
1625 Broadway, Suite 2200  
Denver, CO 80202

Martin J. Harrington Jr.  
2336 South Jackson Street  
Denver, CO 80210

Robert S. Pirtle  
PO Box 1310  
Tyler, TX 75710

Pirtle Properties LP  
c/o George William Pirtle  
PO Box 1310  
Tyler, TX 75710

Swan Energy, Inc.  
8100 E. Maplewood Ave, Ste 200  
Greenwood Village, CO 80111

BGSPE Energy Ltd.  
PO Box 509  
Tyler, TX 75710

Joyce Ann Pirtle  
3006 Concord Place  
Tyler, TX 75701

Farmers Reservoir & Irrigation Company  
80 South 27th Ave.  
Brighton, CO 80601

Ruth Ann Southwick Revocable Trust  
Daniel Keller, Trustee  
771 Columbine St.  
Denver, CO 80206

Front Range Resources LLC  
999 18th St. Ste 270N  
Denver, CO 80202

Charlotte Lynn Harkis  
23056 County Road 34 1/2  
La Salle, CO 80645

Cannon Land Company  
3575 Cherry Creek North Drive  
Denver, CO 80209

Stephen Donald Katchen  
10277 Profeta Court  
Las Vegas, NV 89135-2471

Estate of Herschel Katchen  
78398 Desert Willow Dr.  
Palm Desert, CA 92211

Randall J. Gornbein  
8131 Stratford Dr.  
St. Louis, MO 63105

Jodi E. Marynowski  
16215 E Crestline Place  
Centennial, CO 80015

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**AFFIDAVIT OF MAILING**

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

Jamie L. Jost 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, that on or before June 21, 2012 she 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.

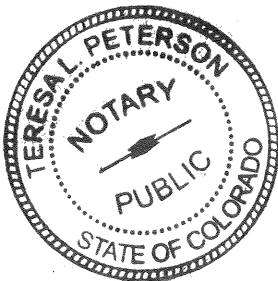


Jamie L. Jost

Subscribed and sworn to before me June 21, 2012.

Witness my hand and official seal.

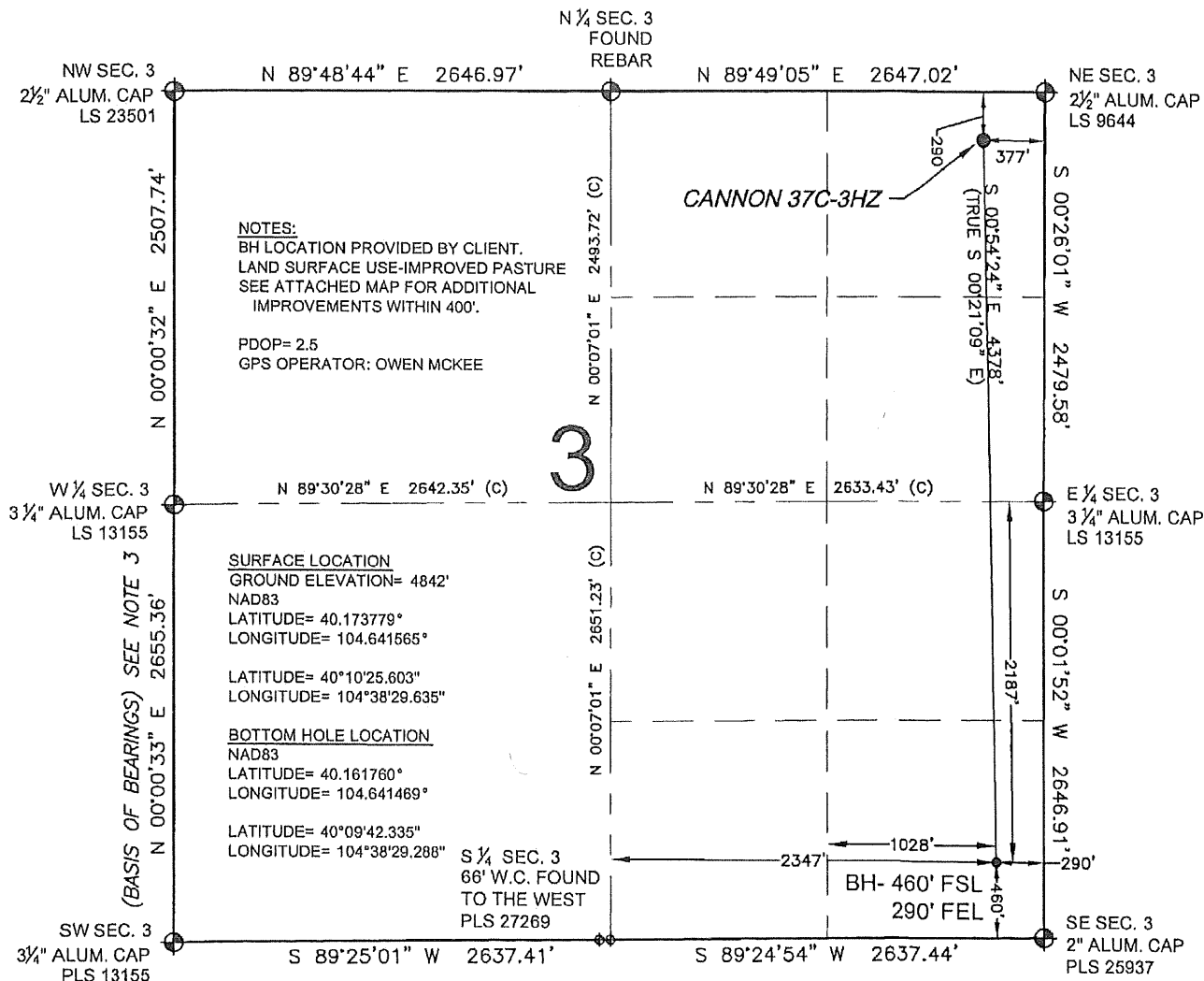
My commission expires: 10-04-13.



  
Notary Public

# WELL LOCATION CERTIFICATE: CANNON 37C-3HZ

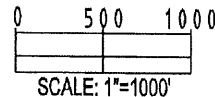
SECTION 3, TOWNSHIP 2 NORTH, RANGE 65 WEST, 6TH P.M.



WELL CANNON 37C-3HZ TO BE LOCATED 290' FNL AND 377' FEL

## LEGEND

- ⊕ = EXISTING MONUMENT
- ⬢ = BOTTOM HOLE
- BH = BOTTOM HOLE
- = PROPOSED WELL
- ◆ = EXISTING WELL



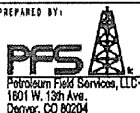
## NOTES:

- THIS FIELD SURVEY CONFORMS TO THE MINIMUM STANDARDS SET BY THE C.O.G.C.C., RULE NO. 215
- HORIZONTAL POSITIONS AND ORTHOMETRIC ELEVATIONS SHOWN AT THE WELL HEAD, ARE BASED ON GPS-RTK POSITIONS DERIVED FROM MINIMUM 2-HOUR STATIC OBSERVATIONS CORRECTED BY THE NATIONAL GEODETIC SURVEY ONLINE POSITIONING USER SERVICE, O.P.U.S. DATUM: HORIZONTAL = NAD83/2007, VERTICAL = NAVD88
- THE BASIS OF BEARINGS ARE STATE PLANE COORDINATE SYSTEM GRID BEARINGS SHOWN HEREON BETWEEN THE DESCRIBED MONUMENTS SHOWN HEREON.
- GRID DISTANCES ARE SHOWN, AS MEASURED IN THE FIELD, WITH TIES TO WELLS MEASURED PERPENDICULAR TO SECTION LINES.

I, TERRY D. SANDERS, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY TO KERR-MCGEE OIL & GAS ONSHORE LP, THAT THE SURVEY AND WELL LOCATION CERTIFICATE SHOWN HEREON WERE DONE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THE DRAWING SHOWN HEREON ACCURATELY DEPICTS THE PROPOSED LOCATION OF THE WELL. THIS CERTIFICATE DOES NOT REPRESENT A LAND SURVEY PLAT OR IMPROVEMENT SURVEY PLAT AS DEFINED BY C.R.S. 38-51-102 AND CANNOT BE RELIED UPON TO DETERMINE OWNERSHIP.

TERRY D. SANDERS, PLS 30120  
COLORADO LICENSED PROFESSIONAL LAND SURVEYOR  
FOR AND ON BEHALF OF P.F.S.D.

PREPARED BY:



FIELD DATE:

04-06-12

DRAWING DATE:

04-11-12

BY:

KAG

SURFACE LOCATION:

NE 1/4 NE 1/4,

SEC. 3, T2N, R65W, 6TH P.M.

WELD COUNTY, COLORADO

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THIS SAID DATE OF THIS CERTIFICATION SHOWN HEREON.