

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 TO POOL ALL INTERESTS IN )  
FOUR APPROXIMATE 240 TO 480-ACRE )  
DESIGNATED WELLBORE SPACING UNITS )  
ESTABLISHED FOR SECTIONS 8, 9, 16, AND )  
17, TOWNSHIP 3 NORTH, RANGE 66 WEST, )  
6TH P.M., FOR THE CODELL AND/OR )  
NIOBRARA FORMATIONS, 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 within four approximate 240-acre to 480-acre designated wellbore spacing units to produce oil, gas, and associated hydrocarbons from the Codell and/or Niobrara Formation, as follows:

DCP State 38N-17HZ Well (API No. 05-123-36369), located on the following lands:

Township 3 North, Range 66 West, 6th P.M.

Section 8: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 9: W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 16: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 17: E $\frac{1}{2}$ E $\frac{1}{2}$  ("WSU#1")

DCP 16N-17HZ Well (API No. 05-123-36367), located on the following lands:

Township 3 North, Range 66 West, 6th P.M.

Section 8: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 17: E $\frac{1}{2}$ E $\frac{1}{2}$  ("WSU#2")

DCP 37C-17HZ Well (API No. 05-123-36515), located on the following lands:

Township 3 North, Range 66 West, 6th P.M.

Section 8: SE $\frac{1}{4}$

Section 17: E $\frac{1}{2}$  ("WSU#3")

DCP 37N-17HZ Well (API No. – 05-123-36517), located on the following lands:

Township 3 North, Range 66 West, 6th P.M.

Section 8: W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 17: W $\frac{1}{2}$ E $\frac{1}{2}$  ("WSU#4")

All Weld County, Colorado (collectively "Application Lands").

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 interests in the Application Lands.

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, gas and associated hydrocarbons 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 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 for the Codell and Niobrara Formations.

5. Pursuant to Rule 318A.e, Applicant designated two 240-acre wellbore spacing units for the DCP 37N-17HZ Well and the DCP 16N-17HZ Well, and two 480-acre wellbore spacing units for the DCP 37C-17HZ Well and the DCP State 38N-17HZ Well (all collectively referred to as "Wells"), for the production of oil, gas, and associated hydrocarbons from Codell and/or Niobrara Formations. Applicant notified all owners in each proposed wellbore spacing unit pursuant to Rule 318A.e.(6), as applicable. Applicant did not receive any objections to the establishment of the proposed wellbore spacing units within the 30-day response period, and, as such, certifies to the Commission that it did not receive any objections to well location, proposed spacing unit, or proposed formations.

6. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the DCP State 38N-17HZ Well for development and operation of the Niobrara Formation underlying the following designated 480-acre wellbore spacing unit:

Township 3 North, Range 66 West, 6th P.M.

Section 8: E½SE¼

Section 9: W½SW¼

Section 16: W½W½

Section 17: E½E½ ("WSU#1")

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 DCP State 38N-17HZ Well to the Niobrara Formation.

8. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, also seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the DCP 16N-17HZ Well for development and operation of the Niobrara Formation underlying the following designated 240-acre wellbore spacing unit:

Township 3 North, Range 66 West, 6th P.M.

Section 8: E½SE¼

Section 17: E½E½ ("WSU#2")

9. 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 DCP 16N-17HZ Well to the Niobrara Formation.

10. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, also seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the DCP 37C-17HZ Well for development and operation of the Codell Formation underlying the following designated 480-acre wellbore spacing unit:

Township 3 North, Range 66 West, 6th P.M.

Section 8: SE¼

Section 17: E½ ("WSU#3")

11. 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 DCP 37C-17HZ Well to the Codell Formation.

12. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, also seeks an order pooling all interests, including but not limited to, any nonconsenting interests, in the DCP 37N-17HZ Well for development and operation of the Niobrara Formation underlying the following designated 240-acre wellbore spacing unit:

Township 3 North, Range 66 West, 6th P.M.

Section 8: W½SE¼

Section 17: W½E½ ("WSU#4")

13. 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 DCP 37N-17HZ Well to the Niobrara Formation.

14. 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 offered the opportunity to lease, or to participate in the drilling of each of the Wells and will be provided with the information required by Rule 530 as applicable. The list of such interested parties is attached hereto as Exhibit A.

15. That in order to prevent waste and to protect correlative rights, all interests in WSU#1, WSU#2, WSU#3, and WSU#4, be pooled for the orderly development of the Codell and/or Niobrara Formations 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 in the DCP State 38N-17HZ Well and WSU#1 for the development of the Niobrara Formation.

B. Providing that the Commission's pooling order with respect to WSU#1 is 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 any well in WSU#1 to the Niobrara Formation.

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 DCP State 38N-17HZ Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Niobrara Formation in WSU#1.

D. Pooling all interests in the DCP 16N-17HZ Well and WSU#2 for the development of the Niobrara Formation.

E. Providing that the Commission's pooling order with respect to WSU#2 is 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 any well in WSU#2 to the Niobrara Formation.

F. 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 DCP 16N-17HZ Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Niobrara Formation in WSU#2.

G. Pooling all interests in the DCP 37C-17HZ Well and WSU#3 for the development of the Codell Formation.

H. Providing that the Commission's pooling order with respect to WSU#3 is 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 any well in WSU#3 to the Codell Formation.

I. 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 DCP 37C-17HZ Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Codell Formation WSU#3.

S. Pooling all interests in the DCP 37N-17HZ Well and WSU#4 for the development of the Niobrara Formation.

N. Providing that the Commission's pooling order with respect to WSU#4 is 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 any well in WSU#4 to the Niobrara Formation.

T. 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 DCP 37N-17HZ Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Niobrara Formation WSU#4.

U. 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 July 2013, 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 7<sup>th</sup> day of May, 2013.

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

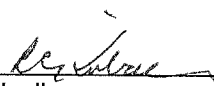
Address of Applicant

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

VERIFICATION

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

R.C. Kimball, of lawful age, being first duly sworn upon oath, deposes and says that he is Staff 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.

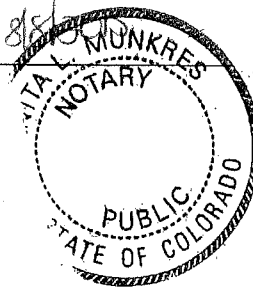
  
\_\_\_\_\_  
R.C. Kimball  
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this \_\_\_\_ day of May, 2013.

Witness my hand and official seal.

[SEAL]

My commission expires:



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

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

IN THE MATTER OF THE APPLICATION OF )  
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NIOBRARA FORMATIONS, WATTENBERG )  
FIELD, WELD COUNTY, COLORADO )

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

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**AFFIDAVIT OF MAILING**

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

Elizabeth Y. Gallaway of lawful age, and being first duly sworn upon her oath, states and declares:

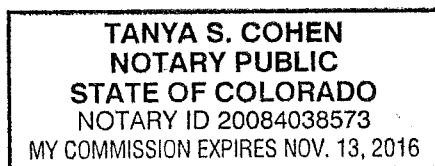
That she is the attorney for Kerr-McGee Oil & Gas Onshore LP, that on or before May 17, 2013, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

  
Elizabeth Y. Gallaway

Subscribed and sworn to before me May 18 2013.

Witness my hand and official seal.

My commission expires: 11/13/2016.



  
Notary Public

EXHIBIT "A"

DCP STATE 38N-17HZ DCP, DCP 16N-17HZ, DCP 37C-17HZ, DCP 37N-17HZ

TODD L. HARRIS  
PO BOX 137  
ASHLEY, ND 58414

PATRICK M. HOFFMAN & ANITA L.  
HOFFMAN  
12999 WELD COUNTY ROAD 30  
PLATTEVILLE, CO 80651

THE SHIRLEY A. OLIN LOVING®  
TRUST, DATED FEBRUARY 12, 1991  
13487 WELD COUNTY ROAD 32  
PLATTEVILLE, CO 80651

GARY G. HENRICKSON & ROBERTA L.  
HENRICKSON  
13278 WELD COUNTY ROAD 32  
PLATTEVILLE, CO 80651

RHONDA KRAMER AKA RHONDA S.  
KRAMER  
335 CHERYL COURT  
LOS ALAMOS, NM 87544

THE ESTATE OF DEBORAH A.  
SCHONEMAN AKA  
DEBORAH A. SCHWARTZ  
13452 WELD COUNTY ROAD 32  
PLATTEVILLE, CO 80651

FANNIE MAE AKA FEDERAL  
NATIONAL MORTGAGE  
ASSOCIATION  
FANNIE MAE, PO BOX 650043  
DALLAS, TX 75265-0043

AARON S. SCHONEMAN  
13452 WELD COUNTY ROAD 32  
PLATTEVILLE, CO 80651

BELLA HOLSTEINS, INC., A  
COLORADO CORPORATION  
13278 WELD COUNTY ROAD 32  
PLATTEVILLE, CO 80651

ANADARKO E&P COMPANY, LP  
1099 18TH STREET, SUITE 1800  
DENVER, CO 80202

ARTHUR E. OSTERMILLER & EVELYN  
OSTERMILLER  
4705 WELD COUNTY ROAD 46  
JOHNSTOWN, CO 80534

CHARLES TERRY EDWARDS  
23025 SPYGLASS COURT  
AUBURN, CA 95602

PATRICIA ANN WILCOX, TRUSTEE OF  
THE JOHN F. LEONARD LIVING TRUST  
DATED APRIL 6, 1993  
401 STATE STREET  
SEDRO WOOLLEY, WA 98284

PATRICIA A. WILCOX LIVING TRUST,  
DATED APRIL 24, 1996  
401 STATE STREET  
SEDRO WOOLLEY, WA 98284

BRYAN KUGEL AND NANCY KUGEL,  
CO-TRUSTEES OF THE BRYAN KUGEL  
LIVING TRUST DATED AUGUST 9,  
2000  
16484 COUNTY ROAD 1060  
LAMONT, OK 74643

GARY P. KUGEL  
2405A SANTA FE DR.  
LONGMONT, CO 80504

KAY KUGEL SACHS  
2640 ELMHURST CIRCLE  
LONGMONT, CO 80503

PATRICIA ANN KUGEL  
PO BOX 6103  
GALENA, IL 61036

T.E. MCCLINTOCK T/W FBO  
ELIZABETH M. NIKOLORIC,  
COLORADO STATE BANK  
AND TRUST, N.A., TRUSTEE  
PO BOX 1588  
TULSA, OK 74101

T.E. MCCLINTOCK T/W FBO MARY M.  
SWIFT U.S. BANK, N.A., TRUSTEE  
PO BOX 3499  
TULSA, OK 74101

HELEN M. NELSEN AND US BANK,  
CO-TRUSTEES OF THE EDWIN MILLER  
TRUST C/O BANK OF OKLAHOMA NA,  
AGENT TRT 9015  
PO BOX 1588  
TULSA, OK 74101

KERR-MCGEE OIL & GAS ONSHORE,  
LP  
1099 18TH STREET, SUITE 1800  
DENVER, CO 80202

BENSON MINERAL GROUP, INC.  
1560 BROADWAY, SUITE 1900  
DENVER, CO 80202

JPFP FAMILY LLC  
PO BOX 51  
BROOMFIELD, CO 80038

JAMES D. BROWNLIE  
75 17TH ST, STE 980  
DENVER, CO 80202

KENNETH A. BREITENBACH  
410 17TH ST, SUITE 1151  
DENVER, CO 80202

STATE OF COLORADO, ACTING BY  
AND THROUGH THE STATE BOARD  
OF LAND COMMISSIONERS  
1313 SHERMAN ST, ROOM 620  
DENVER, CO 80203

NOBLE ENERGY, INC.  
1625 BROADWAY, SUITE 2200  
DENVER, CO 80202

PUBLIC SERVICE COMPANY OF  
COLORADO  
1800 LARIMER ST., SUITE 1400  
DENVER, CO 80202