

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)
TWO APPROXIMATE 400-ACRE DESIGNATED)
WELLBORE SPACING UNITS LOCATED IN)
SECTIONS 5 AND 8, TOWNSHIP 2 NORTH,)
RANGE 67 WEST, 6TH P.M., FOR THE CODELL)
AND 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 two approximate 400-acre designated wellbore spacing units to produce oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations for the following described lands:

Sater 24N-5HZ Well (API No. 05-123-38325):

Township 2 North, Range 67 West, 6th P.M.

Section 5: S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ ("WSU#1" – Niobrara Formation)

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

Sater 24C-5HZ Well (API No. 05-123-38327):

Township 2 North, Range 67 West, 6th P.M.

Section 5: S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ ("WSU#2" – Codell Formation)

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

Weld County, Colorado (together "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 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 Niobrara Formation 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, 2405, 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 Niobrara Formation.

5. Pursuant to Rule 318A.e, Applicant designated two 400-acre wellbore spacing units for the Sater 24N-5HZ Well and the Sater 24C-5HZ Well for the production of oil, gas, and associated hydrocarbons from Codell and Niobrara Formations as applicable. 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 locations, proposed spacing units, or proposed formations.

8. 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 Sater 24N-5HZ Well for development and operation of the Niobrara Formation underlying the following designated 400-acre wellbore spacing unit:

Township 2 North, Range 67 West, 6th P.M.
Section 5: S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ ("WSU#1")
Section 8: NE $\frac{1}{4}$

9. 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 Sater 24C-5HZ Well for development and operation of the Codell Formation underlying the following designated 400-acre wellbore spacing unit:

Township 2 North, Range 67 West, 6th P.M.
Section 5: S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ ("WSU#2")
Section 8: NE $\frac{1}{4}$

10. 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 Sater 24N-5HZ Well in WSU#1 and the Sater 24C-5HZ in WSU#2 to the Codell and Niobrara Formations, as applicable.

11. 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 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.

12. That in order to prevent waste and to protect correlative rights, all interests in WSU#1 and WSU#2 be pooled for the orderly development of the Codell and 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 Sater 24N-5HZ 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 the 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 Sater 24N-5HZ 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 Sater 24C-5HZ Well and WSU#2 for the development of the Codell 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 Codell 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 Sater 24C-5HZ 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 in WSU#2.

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

DATED this 26TH day of November, 2013.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By: 

Michael J. Wozniak

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: Jason Rayburn

1099 18th Street, Suite 1800

Denver, Colorado 80202

VERIFICATION

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

Jason Rayburn of lawful age, being first duly sworn upon oath, deposes and says that he is 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.

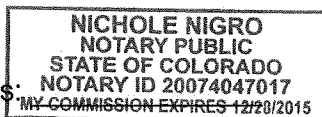
Jason Rayburn
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before this 21 day of November, 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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WATTENBERG FIELD, WELD COUNTY,)
COLORADO)

Cause No. _____


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AFFIDAVIT OF MAILING

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

Jennifer Pittenger of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Kerr-McGee Oil & Gas Onshore LP, and on or before December 3, 2013, 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.

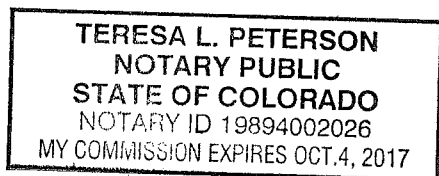


Jennifer Pittenger

Subscribed and sworn to before me November 26, 2013.

Witness my hand and official seal.

My commission expires: 10-04-17.





Notary Public

EXHIBIT A
Interested Parties

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

Encana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Sater Family Interests, LP
7544 Weld County Road 24
Longmont, CO 80504

Marjorie A. Sater
P.O. Box 17
Firestone, CO 80520

Dorothy Alice McHale, Trustee of the
Dorothy Alice McHale Living Trust
7572 WCR 26
Longmont, CO 80504

Flocks, Windpower and Oil Cans, LLC
7250 CR 5
Erie, CO 80516

Dick V. Wolfe, life estate; Daniel Wolfe,
Dick Wolfe, Dawn Ann Homyak and
Cynthia Kay Ververs, remaindermen
1903 21st Avenue
Greeley, CO 80631

Raymond D. Townsend
c/o Arlana Rae Thompson, Trustee of the
Raymond D. Townsend Trust
dated 11/09/93
1750 K Rd
Livermore, IA 50558

Mark Birkin
11455 County Road 17
Longmont, CO 80504

Harold R. Rhoades
7127 WCR 26 ¾
Longmont, CO 80504-9514

Eric D. Townsend
6931 Mount Vernon Street
Lemon Grove, CA 91945-3434

Sara E. Townsend
1576 Yosemite Dr #7
Los Angeles, CA 90041

Kathleen L. Pennella
765 S. 46th Street
Boulder, CO 80305-6041

Geraldine F. Scott
11031 County Road 17
Longmont, CO 80504-5225

Oland L. Rhoades and
Sandra S. Rhoades JT
504 Elizabeth Ave
Platteville, CO 80651

Timothy C. Solomon and
Jerrie L. Solomon, JT
7751 County Road 24
Longmont, CO 80504-9549

Toni J. Ordway
3312 66th Avenue
Greeley, CO 80634

Larry Scott
3312 66th Avenue
Greeley, CO 80634

Vanette M. Gilbert
2210 Main St Apt 131
Longmont, CO 80501-1494

Onesimo Fernandez, Eva Fernandez
and Shirley A. Fernandez, JT
7729 CR 24
Longmont, CO 80504

Richard J. Vogl and Margaret L. Vogl,
Trustees of the Richard and Margaret Vogl
Living Trust dated May 11, 1990
11995 WCR 11 ¼
Longmont, CO 80504

Chad Parker and Kyla Parker, JT
7731 CR 24
Longmont, CO 80504

Dugan Flynn
7733 CR 24
Longmont, CO 80504

Stephen E. Graham and
Kimberly A. Graham, JT
5705 SW Joshua Street
Tualatin, OR 97062

Sharon Marietta
1170 Olympia Avenue, Unit F
Longmont, CO 80504

William L. Distel
7741 WCR 24
Longmont, CO 80504

Melinda S. Distel
7741 WCR 24
Longmont, CO 80504