

**BEFORE THE OIL AND 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 AN  
APPROXIMATE 400-ACRE DESIGNATED  
WELLBORE SPACING UNIT IN SECTION 34,  
TOWNSHIP 1 NORTH, RANGE 67 WEST, 6TH  
P.M. AND SECTION 3, TOWNSHIP 1 SOUTH,  
RANGE 67 WEST, 6TH P.M., FOR THE  
CODELL FORMATION, WATTENBERG FIELD,  
WELD AND ADAMS COUNTIES, COLORADO

CAUSE NO.

DOCKET NO.

**APPLICATION**

COMES NOW Kerr-McGee Oil & Gas Onshore LP ("Applicant"), by its attorneys, Jost & Shelton Energy Group, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests within an approximate 400-acre wellbore spacing unit for the drilling of the Grenemeyer 36C-3HZ Well, (API No. 05-123-38417) ("Well") for the development of the Codell Formation on the following described lands:

Township 1 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 34: W $\frac{1}{2}$ E $\frac{1}{2}$

Township 1 South, Range 67 West, 6<sup>th</sup> P.M.  
Section 3: E $\frac{1}{2}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$

Weld and Adams Counties, Colorado (hereinafter "Application Lands").

In support thereof, Applicant states and alleges as follows:

1. Applicant is a corporation 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 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 and/or gas from the Niobrara Formation underlying certain lands, with the permitted well locations in accordance with the provisions of Order No. 407-1 and allowed downhole commingling of production from the Codell and Niobrara Formations.

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 recompleat 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.

5. Applicant designated the 400-acre wellbore spacing unit, as defined below, for the production of oil, gas, and associated hydrocarbons from the Codell Formation pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.

6. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands in the Codell Formation underlying the following approximate 400-acre designated wellbore spacing unit:

Township 1 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 34: W $\frac{1}{2}$ E $\frac{1}{2}$

Township 1 South, Range 67 West, 6<sup>th</sup> P.M.  
Section 3: E $\frac{1}{2}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$

(hereafter "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) are first incurred for the drilling of the Well to 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 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 as applicable. The list of such interested parties is attached hereto as Exhibit A.

9. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit 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 in the Application Lands and the Wellbore Spacing Unit for the development of the Codell Formation.

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Well in the Wellbore Spacing Unit to 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 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 the Well drilled to develop the Codell Formation in the Wellbore Spacing Unit comprising 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 March 2014, 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: January 16, 2014.

Respectfully submitted:

**Kerr-McGee Oil & Gas Onshore LP**

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

Jamie L. Jost

Joseph M. Evers

Jost & Shelton Energy Group, P.C.

Attorneys for Applicant

1675 Larimer St., Suite 1400

Denver, Colorado 80202

(720) 379-1812

Applicant's Address:

Kerr-McGee Oil & Gas Onshore LP

ATTN: Rachel Cruz


1099 18<sup>th</sup> Street, Suite 1800

Denver, CO 80202

## VERIFICATION

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

John P. Errabo of lawful age, being first duly sworn upon oath, deposes and says that he/she is Lundman for Kerr-McGee Oil & Gas Onshore LP, and that he/she has read the foregoing Application and that the matters therein contained are true to the best of his/her knowledge, information and belief.

  
Name: John P. Errebo  
Title: Sr. Staff Landman  
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before me this 15<sup>th</sup> day of January 2014.

Witness my hand and official seal.

[SEAL]



My commission expires: 10/17/2016

  
Notary Public

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CODELL FORMATION, WATTENBERG FIELD,  
WELD AND ADAMS COUNTIES, COLORADO

CAUSE NO.

DOCKET NO.

**AFFIDAVIT OF MAILING**

STATE OF COLORADO )

)ss.

CITY AND COUNTY OF DENVER )

I, Jamie Jost of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for Kerr-McGee Oil & Gas Onshore LP, and that on or before the 23 day of January, 2014, I 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 this 16 day of January 2014.

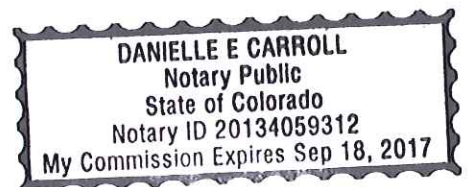
Witness my hand and official seal.

[SEAL]

My commission expires: \_\_\_\_\_

9/18/17

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



## EXHIBIT A

Arnold Grenemyer Sr., and  
Arnold Grenemyer Jr., joint tenants  
9738 Weld County Road 4  
Brighton, Colorado 80601

Clifford S. Wagner  
638 Weld County Road 19  
Brighton, Colorado 80603

Edwin G. Grenemyer  
4804 Weld County Road 13  
Dacono, Colorado 80514

Estate of Robert L. Seltzer,  
Jack Seltzer and Timothy R. Seltzer,  
Co-Personal Representatives  
33641 Weld County Road 83  
Briggsdale, Colorado 80611

John W. Weigandt  
10390 East 168th Ave.  
Brighton, Colorado 80602

Kenneth R. Wagner  
648 Weld County Road 19  
Brighton, Colorado 80603

Robert L. Seltzer Family Trust  
33641 Weld County Rd. 83  
Briggsdale, Colorado 80611

Seltzer Farms, Inc.  
9390 168th Avenue  
Brighton Colorado 80601

SW Land Investment, LLC  
10450 E. 159th Ct.  
Brighton, Colorado 80602

T.E. McClintock T/W  
fbo Elizabeth Nikoloric,  
Colorado State Bank & Trust, NA Trustee  
P.O. Box 1588  
Tulsa, Oklahoma 74101

T.E. McClintock T/W  
fbo Mary M. Swift,  
US Bank, NA Trustee  
P.O. Box 1588  
Tulsa, Oklahoma 74101

Kerr-McGee Oil & Gas Onshore LP  
P.O. Box 173779  
Denver, CO 80217-3779

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

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

Robert S. Pirtle  
P.O. Box 1310  
Tyler, TX 75710-1310

BGSPE Energy, Ltd.  
P.O. Box 509  
Tyler, TX 75710-0509

Swan Exploration, LLC  
8100 E. Maplewood Ave., Suite 240  
Greenwood Village, CO 80111

Martin J. Harrington, Jr.  
2236 S. Jackson Street  
Denver, CO 80210

Pirtle Properties, L.P.  
3006 Concord Place  
Tyler, TX 75701

Edward F. Wallace, Jr.  
P.O. Box 3585  
McAllen, TX 78502

Holden H. Wallace  
P.O. Box 325  
Winnsboro, TX 75494

Janet H. Wallace, Jr. (nka Janet Yancy)  
3821 Shenandoah Street  
Dallas, TX 75205

John C. Wallace  
10662 Pike Road  
Longmont, CO 80504

Sally W. Crawford  
3517 St. Johns Drive  
Dallas, TX 75205

William H. Wilson, Jr.  
1800 St. James Place, Suite 400  
Houston, TX 75494