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)	CAUSE NO
POOL ALL INTERESTS IN AN APPROXIMATE 200-)	
ACRE DESIGNATED HORIZONTAL WELLBORE)	DOCKET NO.
SPACING UNIT LOCATED IN SECTIONS 14 AND 23,)	•
TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M., FOR)	
THE DEVELOPMENT/OPERATION OF THE CODELL)	
FORMATION, WATTENBERG FIELD, WELD COUNTY,)	
COLORADO)	

APPLICATION

Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee" or "Applicant"), by and through its attorneys, Jost & Shelton Energy Group, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order pooling all interests in an approximate 200-acre designated horizontal wellbore spacing unit designated for portions of Sections 14 and 23, Township 2 North, Range 67 West, 6th P.M., for development and operation of the Codell Formation. In support of its Application, 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 substantial leasehold interests in the below-listed lands:

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

Section 14:

SW1/4SW1/4

Section 23:

W½W½

200 acres, more or less, Weld County, Colorado.

These lands are hereinafter referred to as 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 Codell 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, 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.

- 5. Pursuant to Rule 318A., Applicant designated an approximate 200-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the Spotted 4C-23HZ Well, (API No. 05-123-39430) ("Well"), for the production of oil, gas and associated hydrocarbons from the Codell Formation. Applicant notified all owners in the proposed designated horizontal wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive objections to the establishment of the proposed designated horizontal wellbore spacing unit within the 30-day response period.
- 6. Acting pursuant to the applicable Colorado Statutes and Commission Regulations, Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 200-acre designated horizontal wellbore spacing unit designated for the Application Lands for the development and operation of the Codell Formation.
- 7. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application, or, as applicable, the date that the costs specified in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Well on the Application Lands, whichever is earlier.
- 8. Further, Applicant requests that any nonconsenting 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 §34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof.
- 9. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, et seq., C.R.S., and the Commission rules.
- 10. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
- 11. That the names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in Exhibit A attached hereto. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

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:

- A. Pooling all interests in the Application Lands for the development and operation of the Codell Formation, with the pooling order made effective as of the date of this Application, or, as applicable, the date that the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Well on the Application Lands, whichever is earlier.
- B. Providing that the nonconsenting 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 §34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this day of May, 2014.

Respectfully submitted,

KERR-MØGEE OIL & GAS ONSHORE LP

By:

Jamie L. Jost
Joseph M. Evers
Jost & Shelton Energy Group, P.C.
Attorneys for Applicant
1675 Larimer Street, Suite 420
Denver, Colorado 80202
jjost@jsenergygroup.com
jevers@jsenergygroup.com

Address of Applicant
Kerr-McGee Oil & Gas Onshore LP
ATTN: Rachel Cruz
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

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

Tom Yaley, 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.

Tom Yak

Staff Landman

Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before me this 28 day of May 2014.

Witness my hand and official seal.

[SEAL]

RACHEL MARIE CRUZ NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20124066688 MY COMMISSION EXPIRES 10/17/2016

My commission expires: (0/17/2016

Notary Public

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 200-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNIT LOCATED IN SECTIONS 14 AND 23, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING

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

I, Jamie L. 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 day of June, 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 May 27, 2014.

Witness my hand and official seal.

My commission expires: 9/18/17

DANIELLE E CARROLL Notary Public State of Colorado Notary ID 20134059312 My Commission Expires Sep 18, 2017

Notary Public

Exhibit A Interested Party List Spotted 4C-23HZ

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

Welco Venture 7586 West Jewell Avenue # 204 Denver, Colorado 80232-6838

George G. Knox 1912 Eastlake Blvd, APT 611, Colorado Springs, CO 80910

Dewey D. Knox 1010 E. Bobier Drive #46, Vista, CA 92084

William W. Knox, Trustee or his sucessors in trust of the William W. Knox Living Trust dated September 1, 2011 380 High Lonesome Dove Rd, Virginia Dale, CO 80536

Frank L. Knox 76975 Road 444, Sumner, NE 68878

Leo Gene Bomareto and Peggy Ann Bomareto, as joint tenants 2040 E 68TH Ave Denver, Colorado 80229-7319

Rose M. Guildner 6313 Urban Street Arvada, Colorado 80004

Stephen R. Ferguson and Maxine Ferguson, as Trustees of the Ferguson Family Trust dated July 10, 2013 5000 Moss Lane Granite Bay, California 95746

Heirs or Devisees of Fred Guildner, deceased 6465 Ascot Drive Oakland, California 94611 Bradley R. Guildner 9794 Norfolk St Commerce City, Colorado 80022-7137

Janet Guildner Williams 1468 Cherrywood Dr Brighton, Colorado 80601-3673

Douglas J. Guildner, II 2760 Decatur Dr Broomfield, Colorado 80020

Gerald Guildner 5135 WELD COUNTY ROAD 63 KEENESBURG Colorado 80643

Kelly Guildner Froyen 18795 W 59TH PL GOLDEN Colorado 80403

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

The Rozell Watson Trust dated January 31, 2010 10444 Victor St Commerce City, Colorado 80022

Kent David Linder 4214 Carrollwood Village Dr Tampa, Florida 33618

Gordon Clyde Linder 3372 S 7780 West Magna, Utah 84044-2041

Kathryn Fernandez 600 Randi Lane Hoffman Estates, Illinois 60169-2712

Cheryl Wessman 2465 Tanya Ave West Jordan, Utah 84088 Rosalyn Munyan 65 North 100 West Millville, Utah 84326

Garth Alan Linder 8183 S Tuckford West Jordon, Utah 84081

Ramona Leishman 959 East Main St Wellsville, Utah 84339

Henry E. Linder 10162 Forest Springs Drive Grass Valley, California 95949

Strear Farms Company 6825 East Tennessee # 235 Denver, Colorado 80224-1606

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 200-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNIT LOCATED IN SECTIONS 14 AND 23, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

SUPPLEMENTAL AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss
COUNTY OF DENVER)

James P. Parrot of lawful age, and being first duly sworn upon his oath, states and declares:

That he is an attorney for Kerr-McGee Oil & Gas Onshore LP., that on the day of June, 2014, he caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the following additional parties.

Stephen R. Ferguson and Maxine Ferguson, as Trustees of the Ferguson Family Trust dated July 10, 2013 5150 W. Brazos Drive Columbia, MO 65203

James P. Parrot

Witness my hand and official seal.

My commission expires:

9/18/19

DANIELLE E CARROLL Notary Public State of Colorado Notary ID 20134059312 My Commission Expires Sep 18, 2017

Notary Public