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 AN APPROXIMATE 160-ACRE DESIGNATED WELLBORE SPACING UNIT LOCATED IN SECTION 36, TOWNSHIP 3 NORTH, RANGE 68 WEST, 6TH P.M., AND SECTION 31, TOWNSHIP 3 NORTH, RANGE 67 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE J-SAND FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO	)	CAUSE NO. DOCKET NO.

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 160-acre designated wellbore spacing unit designated for portions of Section 36, Township 3 North, Range 68 West, 6th P.M., and portions of Section 31, Township 3 North, Range 67 West, 6th P.M., for development and operation of the J-Sand 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 3 North, Range 68 West, 6th P.M.
Section 36: E½NE¼

Township 3 North, Range 67 West, 6th P.M.
Section 31: W½NW¼

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

These lands are hereinafter referred to as the "Application Lands."

3. 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.

4. On October 19, 1981, the Commission entered Order No. 232-23, which among other things, amends Order No. 232-20 and allows drilling of an additional well on each 320-acre unit in the area not included in Order No. 232-20. Order No. 232-23 does not affect this Application.

5. Pursuant to Rule 318A., Applicant designated an approximate 160-acre wellbore spacing unit, comprised of the Application Lands, for the Carma 41-36 Well, (API No. 05-123-31103) ("Well"), for the production of oil, gas and associated hydrocarbons from the J-Sand Formation. Applicant notified all owners in the proposed designated wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive objections to the establishment of the proposed designated 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 160-acre designated wellbore spacing unit designated for the Application Lands for the development and operation of the J-Sand 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 J-Sand 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 17th day of July, 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 Street, Suite 420
Denver, Colorado 80202
jjost@jsenergygroup.com
jevers@jsenergygroup.com

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

VERIFICATION

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

Jay Errebo, of lawful age, being first duly sworn upon oath, deposes and says that he is Project Land Advisor 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.

Jay Errebo
Project Land Advisor
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before me this 16th day of July 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: 10/17/2016

Notary Public

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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 160-ACRE DESIGNATED WELLBORE SPACING UNIT LOCATED IN SECTION 36, TOWNSHIP 3 NORTH, RANGE 68 WEST, 6TH P.M., AND SECTION 31, TOWNSHIP 3 NORTH, RANGE 67 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE J-SAND 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 24th day of July, 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 July 17th, 2014.

Witness my hand and official seal.

My commission expires: 06/16/2018.

CHARLOTTE LAWLESS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144023899
MY COMMISSION EXPIRES JUNE 16, 2018

Notary Public

Exhibit A
Carma 41-36

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

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

* Marbella Corporation
1090 W. Georgia Street, Suite 1305
Vancouver, BC V6E 3V7

* Boone Petroleum, Inc.
15501 W CR 750 South
Daleville, Indiana 47334

* Douglas E. Wood
4036 S. Pleasant View Drive
Castle Rock, CO 80108

Douglas A. Tiefel
PO Box 17130
Boulder, CO 80308-0130

Columbine Land Resources, Inc.
PO Box 17130
Boulder, CO 80308-0130

State of Colorado,
Board of Land Commissioners
1127 Sherman Street, Suite 300
Denver, CO 80203

Varra Companies, Inc.
8120 Gage Street
Frederick, CO 80516

Anadarko E&P Onshore LLC
ATTN: Shea Kauffman
1099 18th Street
Denver, CO 80202