

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)	CAUSE NO.
TO POOL ALL INTERESTS IN AN APPROXIMATE)	
320-ACRE DESIGNATED HORIZONTAL WELLBORE)	DOCKET NO.
SPACING UNIT LOCATED IN SECTIONS 3 AND 4,)	
TOWNSHIP 1 NORTH, RANGE 66 WEST, 6TH P.M.,)	
FOR THE DEVELOPMENT/OPERATION OF THE)	
NIOBARRA 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 320-acre designated horizontal wellbore spacing unit designated for portions of Sections 3 and 4, Township 1 North, Range 66 West, 6th P.M., for development and operation of the Niobrara 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 1 North, Range 66 West, 6th P.M.
Section 3: W $\frac{1}{2}$ W $\frac{1}{2}$
Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$

320 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 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, 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 320-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the Burkhardt 34N-3HZ Well, (API No. 05-123-39153) ("Well"), for the production of oil, gas and associated hydrocarbons from the Niobrara 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 320-acre designated horizontal wellbore spacing unit designated for the Application Lands for the development and operation of the Niobrara 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 Niobrara 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

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Jamie L. Jost

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Address of Applicant


Kerr-McGee Oil & Gas Onshore LP

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


James C. Colligan III
Senior Landman
Kerr-McGee Oil & Gas Onshore LP

NICHOLE NIGRO
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20074047017
MY COMMISSION EXPIRES 12/28/2015

Notary Public

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AN ORDER TO POOL ALL INTERESTS IN AN
APPROXIMATE 320-ACRE DESIGNATED
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1 NORTH, RANGE 66 WEST, 6TH P.M., FOR
THE DEVELOPMENT/OPERATION OF THE
NIOBRARA FORMATION, WATTENBERG
FIELD, WELD COUNTY, COLORADO

DOCKET NO.

Charlotte Jensen
Notary Public

Exhibit A
Interested Parties List
Burkhardt 34N-3HZ

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Kerr-McGee Oil & Gas Onshore LP
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