

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 THREE)	
APPROXIMATE 392-ACRE DESIGNATED)	DOCKET NO.
HORIZONTAL WELLBORE SPACING UNITS)	
LOCATED IN SECTIONS 2 AND 11, TOWNSHIP 2)	
NORTH, RANGE 65 WEST, 6 TH P.M., FOR THE)	
DEVELOPMENT/OPERATION OF THE CODELL AND)	
NIOBRARA FORMATIONS, WATTENBERG FIELD,)	
WELD COUNTY, COLORADO)	

APPLICATION

Kerr-McGee Oil & Gas Onshore LP (Operator No. 47120) ("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 three (3) approximate 392-acre designated horizontal wellbore spacing units designated for portions of Sections 2 and 11, Township 2 North, Range 65 West, 6th P.M., for development and operation of the Codell and Niobrara Formations. 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 65 West, 6th P.M.
Section 2: W½
Section 11: N½NW¼

392-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 April 16, 2012, the Commission entered Order No. 232-321, which among other things, approves the request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit consisting from certain lands in Sections 2 and 11, Township 2 North, Range 65 West, 6th. P.M., to accommodate the Palyo 28-11 Well (API No. 05-123-32996), for the development and operation of the "J" Sand, Codell and Niobrara Formations. Order No. 232-321 does not affect this Application.

5. 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.

6. On September 19, 2011, the Commission entered Order No. 407-482, which among other things, approves the request for an order to pool all nonconsenting interests in a designated approximate 160-acre wellbore spacing unit for the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2 and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 3, Township 2 North, Range 65 West, 6th P.M., and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 34 and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 3 North, Range 65 West, 6th P.M. Order No. 407-482 does not affect this Application.

7. On August 20, 2012, the Commission entered Order No. 407-680, which among other things, approves the request for an order to pool all interests within eight approximate 200 to 640-acre designated wellbore spacing units consisting of certain lands in Township 2 North, Range 65 West 6th P.M., for the development and operation of the Codell-Niobrara Formation. Order No. 407-680 does not affect this Application.

8. On August 20, 2012, the Commission entered Order No. 407-694, which among other things, approves the request for an order to pool all interests in an approximate 320-acre designated wellbore spacing unit consisting of certain lands in Township 2 North, Range 65 West, 6th P.M., for the development and operation of the Codell Formation. Order No. 407-694 does not affect this Application.

9. Pursuant to Rule 318A., Applicant designated an approximate 392-acre wellbore spacing unit, comprised of the Application Lands, for the Greenleaf 4N-2HZ Well (API No. Pending), for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant notified all owners in the proposed designated wellbore spacing unit pursuant to Rule 318A.e.(5). Applicant did not receive objections to the establishment of the proposed designated wellbore spacing unit within the 30-day response period.

10. Pursuant to Rule 318A., Applicant designated an approximate 392-acre wellbore spacing unit, comprised of the Application Lands, for the Greenleaf 29N-2HZ Well (API No. Pending), for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant notified all owners in the proposed designated wellbore spacing unit pursuant to Rule 318A.e.(5). Applicant did not receive objections to the establishment of the proposed designated wellbore spacing unit within the 30-day response period.

11. Pursuant to Rule 318A., Applicant designated an approximate 392-acre wellbore spacing unit, comprised of the Application Lands, for the Greenleaf 29C-2HZ Well (API No. Pending) (the Greenleaf 4N-2HZ Well, the Greenleaf 29N-2HZ Well, and the Greenleaf 29C-2HZ Well are herein collectively referred to as "Wells"), for the production of oil, gas and associated hydrocarbons from the Codell Formation. Applicant notified all owners in the proposed designated wellbore spacing unit pursuant to Rule 318A.e.(5). Applicant did not receive objections to the establishment of the proposed designated wellbore spacing unit within the 30-day response period.

12. 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 three (3) approximate 392-acre designated wellbore spacing units designated for the Application Lands for the development and operation of the Codell and Niobrara Formations.

13. 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 Wells on the Application Lands, whichever is earlier.

14. 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 Wells, 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.

15. 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.

16. 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.

17. 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 and Niobrara Formations, 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 Wells 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 Wells, 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 November, 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: Will Vaughan

1099 18th Street, Suite 1800

Denver, Colorado 80202

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

Will Vash

Will Vaughan
Senior Landman
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before me this 17 day of November, 2014.

Witness my hand and official seal.

[SEAL]

My commission expires: 3-15-2016

W. M. Williams No

Notary Public



IN THE MATTER OF THE APPLICATION OF
KERR-MCGEE OIL & GAS ONSHORE LP FOR
AN ORDER TO POOL ALL INTERESTS IN
THREE APPROXIMATE 392-ACRE
DESIGNATED HORIZONTAL WELLBORE
SPACING UNITS LOCATED IN SECTIONS 2
AND 11, TOWNSHIP 2 NORTH, RANGE 65
WEST, 6TH P.M., FOR THE
DEVELOPMENT/OPERATION OF THE
CODELL AND NIOBRARA FORMATIONS,
WATTENBERG FIELD, WELD COUNTY,
COLORADO

DOCKET NO.

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

James P. Parrot

My commission expires: 9/18/17



Exhibit A
Greenleaf 4N-2HZ, Greenleaf 29N-2HZ, Greenleaf 29C-2HZ

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

Daniel G. Keller
771 Columbine St.
Denver, CO 80206

BGSPE Energy Ltd
PO Box 509
Tyler, TX 75710

Richard Elwood Harkis, deceased
23431 WCR 22
Hudson, CO 80642

Joyce Hays Pirtle
2403 Highland Dr.
Colleyville, TX 76034

Charlotte Louise Harkis, deceased
23431 WCR 22
Hudson, CO 80642

Martin J. Harrington, Jr.
2236 South Jackson St.
Denver, CO 80210

Anadarko E&P Company LP
1099 18th Street, Suite 1800
Denver, CO 80202

Pirtle Properties LP
C/O Pirtle Mgmt Company
3006 Concord Pl.
Tyler, TX 75701

Robert S. Pirtle
PO Box 1310
Tyler, TX 75710

Swan Exploration, LLC
8100 E. Maplewood Ave, #200
Greenwood Village, CO 80111

Farmers Reservoir & Irrigation Company
80 South 27th Ave.
Brighton, CO 80601

William T. Carson
48379 HWY 112
Center, CO 81125

Julie Browder
7551 W. Kimberly Way
Glendale, AZ 85308