## BEFORE THE OIL & GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF AN APPLICATION BY KERR-	)	
MCGEE OIL & GAS ONSHORE LP FOR AN ORDER	)	CAUSE NO. 407
POOLING ALL INTERESTS IN FOUR APPROXIMATE	)	
240-ACRE TO 480-ACRE DESIGNATED HORIZONTAL	)	DOCKET NO. To be assigned
WELLBORE SPACING UNITS LOCATED IN PORTIONS	)	_
OF SECTIONS 16, 21 AND 28, TOWNSHIP 3 NORTH,	)	
RANGE 65 WEST, 6 <sup>TH</sup> P.M., FOR THE	)	
DEVELOPMENT/OPERATION OF THE CODELL AND	)	
NIOBRARA FORMATIONS, WATTENBERG FIELD,	)	
WELD COUNTY, COLORADO	)	

## **APPLICATION**

Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee" or "Applicant", Operator No. 47120), by and through its attorneys, Beatty & Wozniak, 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 four approximate 240-acre to 480-acre horizontal wellbore spacing units established for portions of Sections 16, 21 and 28, Township 3 North, Range 65 West, 6<sup>th</sup> 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 3 North, Range 65 West, 6<sup>th</sup> P.M.

Section 16:

S½ SE¼

Section 21:

 $E^{1/2}$ 

Section 21:

N½ NE¼

Weld County, Colorado Wellbore Spacing Unit ("WSU") Nos. 1-3

Township 3 North, Range 65 West, 6th P.M.

Section 16:

SE¼ SE¼

Section 21:

E½ E½

Section 28:

NE¼ NE¼

Weld County, Colorado WSU No. 4

These lands are hereinafter collectively referred to as the "Application Lands" and depicted in <u>Exhibits A-1</u> and A-2 attached hereto.

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. Pursuant to Rule 318A., Applicant designated an approximate 480-acre horizontal wellbore spacing unit, comprised of WSU #1, for the Cheese State 1N-21HZ well (API No. Pending) for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed wellbore spacing unit within the 30-day response period.
- 5. Pursuant to Rule 318A., Applicant also designated an approximate 480-acre horizontal wellbore spacing unit, comprised of WSU #2, for the Cheese State 27N-21HZ well (API No. Pending) for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed wellbore spacing unit within the 30-day response period.
- 6. Pursuant to Rule 318A., Applicant also designated an approximate 480-acre horizontal wellbore spacing unit, comprised of WSU #3, for the Cream State 2C-21HZ well (API No. Pending) for the production of oil, gas and associated hydrocarbons from the Codell Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed wellbore spacing unit within the 30-day response period.
- 7. Pursuant to Rule 318A., Applicant also designated an approximate 240-acre horizontal wellbore spacing unit, comprised of WSU #4, for the Cheese State 26N-21HZ well (API No. Pending) for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive any objections to the establishment of the proposed wellbore spacing unit within the 30-day response period.
- 8. The Cheese State 1N-21HZ well, Cheese State 27N-21HZ well, Cream State 2C-21HZ well and the Cheese State 26N-21HZ well are hereinafter referred to as "Subject Wells."
- 9. Acting pursuant to the applicable Colorado statutes and COGCC regulations, Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in four approximate 240-acre to 480-acre horizontal wellbore spacing units established for the Application Lands for the development and operation of the Codell and Niobrara Formations.
- 10. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application.
- 11. Further, Applicant requests that any nonconsenting interests with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Wells, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.
- 12. 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.
- 13. 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.
- 14. 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 <u>Exhibit B</u> 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 four approximate 240-acre to 480-acre horizontal wellbore spacing units established for 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.
- 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 Subject 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 / day of November, 2014.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By:/

Robert A. Willis (Colorado Bar No. 26038)

Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C. Attorneys for Applicant

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Denver, Colorado 80202

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ifulcher@bwenergylaw.com

Address of Applicant
Kerr-McGee Oil & Gas Onshore LP
ATTN: Anita Munkres
1099 18<sup>th</sup> Street, Suite 1800
Denver, Colorado 80202

### **VERIFICATION**

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

R.C. Kimball, Staff Landman for Kerr-McGee Oil & Gas Onshore LP, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

KERR-MCGEE OIL & GAS ONSHORE LP

R.C. Kimball

Witness my hand and official seal.

My commission expires:

Notary Rublic

Sections 16, 21 and 28, T3N R65W Weld County, WSU #1, #2 and #3 Application Lands -

**Exhibit A-1**Application Map

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Sections 16, 21 and 28, T3N R65W Weld County, WSU #4 Application Lands -

Exhibit A-2 Application Map

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DEVELOPMENT/OPERATION OF THE CODELL AND	)	
NIOBRARA FORMATIONS, WATTENBERG FIELD,	)	
WELD COUNTY, COLORADO	)	
AFFIDAVIT OF MAILIN	G	
STATE OF COLORADO )		
)ss.		
CITY AND COUNTY OF DENVER )		

Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Kerr-McGee Oil & Gas Onshore LP, and on or before November <u>24</u>, 2014, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on <u>Exhibit B</u> to the Application.

Jennifer Pittenger

Subscribed and sworn to before me this 30 day of November, 2014.

Witness my hand and official seal.

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION EXPIRES OCT.4, 2017

Notary Public

### EXHIBIT B

#### INTERESTED PARTIES

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 this Exhibit B.

MCENDAFFER MINERALS, LLC, A COLORADO LIMITED LIABILITY COMPANY 1155 S. SAINT VRAIN AVE APT 3-6 ESTES PARK, CO 80517-5449

KEITH E. KEY 7930 WEST FAIRVIEW AVENUE LITTLETON, CO 80128-8259

JOHN G. BRANT PO BOX 46063 DENVER, CO 80201

CHARLES S. BRANT PO BOX 46063 DENVER, CO 80201

MIKE & JIM KRUSE PARTNERSHIP, A COLORADO PARTNERSHIP 72 CASCADE AVENUE ALAMOSA, CO 81101

RICHARD L. HYDE 105 MORNINGSIDE DRIVE GREER, SC 29651

NORMA MALMBORG 5008 HOY ROAD CHEYENNE, WY 82009

DANIEL G. LORENZ 903 NE 127TH STREET PORTLAND, OR 97230

ERVIN DALE GRAY 20321 HIGHWAY Y MILAN, MO 63556

NANCY D. ADLER 4008 BOXELDER LOVELAND, CO 80538

JACK R. SLAPPER 2513 STONEWALL LANE FORT WORTH, TX 76123 JOSEPH F. ZUFALL AND LAVETA A. ZUFALL PO BOX 62 DOUGLAS, WY 82633-0062

DANIEL T. MOYLE, JR., P.C. AND DANIEL T. MOYLE, JR AS THEIR INTERESTS MAY APPEAR 4250 SOUTH ASPEN LANE EVERGREEN, CO 80439

JOHN G. BRANT, JR 9 RED BIRCH LITTLETON, CO 80127

NORMAN A. MOSER, DECEASED PO BOX 495 HUDSON, CO 80642

CAROL J. BUTTERFIELD 18195 MORGAN COUNTY ROAD 17 3/10 FORT MORGAN, CO 80701

BARBARA J. SCOFIELD 5601 WEST 18TH STREET, #49 GREELEY, CO 80634

JILL C. HOLMES 2558 S DILLON ST. AURORA, CO 800014

DENNIS W. GRAY 11267 S CHOUTEAU ST. OLATHE, KS 66061

JODI L. DANIELS 312 SW WALLULA AVE. GRESHAM, OR 97080

SANDRA L. DOLL 1958 BALSAM AVE. GREELEY, CO 80631

JAMES G. WEST 518 WOOSIDE DRIVE HIDEAWAY, TX 75771 SHIRLEY A. WEST 2686 PARK COURT LOVELAND, CO 80538

KATHALEEN ANN EASTMAN-LORENZ PO BOX 1863 LIHUE, HI 96766

CAMDEN CAROL LORENZ PO BOX 1863 LIHUE, HI 96766

ANADARKO E&P ONSHORE, LP NKA ANADARKO E&P ONSHORE, LLC 1099 18TH STREET, SUITE 1800 DENVER, CO 80202

CHRISTOPHER EDWARDS PO BOX 21270 OKLAHOMA CITY, OK 76156

ROBERT C. NEWMAN OIL, LLC 950 WOODLAND PASS SE SMYRNA, GA 30082

CLYDE L. RAISLEY AND CORNELISA E. RAISLEY 1611 20TH AVENUE COURT GREELEY, CO 80631 RUSSELL B. LORENZ PO BOX 1175 JENKS, OK 74037

MORGAN JANE LORENZ PO BOX 1863 LIHUE, HI 96766

WILLIAM H. LORENZ 4050 WYOMING STATE HIGHWAY 158 TORRINGTON, WY 82240

ROBERT G. TENISON, TRUSTEE OF THE TENISON OIL TRUST 1925 HOSPITAL PLACE ABILENE, TX 79606

ALUMA ENERGY, LLC 245 E 54TH STREET, 5M NEW YORK, NY 10022

FOSTER DENNIS 600 HAVERKAMP DRIVE GLENDALE, CA 91206

COLORADO MINERAL RESOURCES 6620 CYPRESS WOOD DRIVE, #100 SPRING, TX 77379