

**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 ESTABLISH AN
APPROXIMATE 640-ACRE DRILLING AND
SPACING UNIT WITH WELL LOCATION
RULES FOR THE CODELL AND NIOBRARA
FORMATIONS IN SECTION 9, TOWNSHIP 1
NORTH, RANGE 65 WEST, 6TH P.M., WELD
COUNTY, COLORADO

Cause No.

Docket No.

APPLICATION

Kerr-McGee Oil & Gas Onshore LP (Operator No. 2800) ("Applicant"), 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 to establish an approximate 640-acre drilling and spacing unit and authorize up to twenty-one (21) horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons within said 640-acre drilling and spacing unit from the Codell and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Kerr-McGee Oil & Gas Onshore LP 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 leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 1 North, Range 65 West, 6th P.M.
Section 9: All

Weld County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Section 9, Township 1 North, Range 65 West, 6th P.M. is subject to Order No. 407-87 for the Codell and Niobrara formations. There are no other Commission Orders applicable to the Application Lands for the Codell and Niobrara formations.

4. The records of the Commission reflect that no wells are currently producing from the Codell or Niobrara Formations within the Application Lands. The following wells may be drilled within the boundaries of the proposed drilling and spacing unit, but are to be specifically excluded from the unit:

Operator Names	Well Name
Kerr McGee Oil & Gas Onshore LP	English Farms 13N-9HZ
Kerr McGee Oil & Gas Onshore LP	English Farms 34C-9 HZ
Kerr McGee Oil & Gas Onshore LP	English Farms 34N-9 HZ
Kerr McGee Oil & Gas Onshore LP	English Farms 35N1-9 HZ
Kerr McGee Oil & Gas Onshore LP	Joker 26N1-9 HZ
Kerr McGee Oil & Gas Onshore LP	Joker 26N2-9 HZ

5. To promote efficient drainage within the Codell and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 640-acre drilling and spacing unit for Section 9, Township 1 North, Range 65 West, 6th P.M.

6. That the above-proposed drilling and spacing unit will allow efficient drainage of the Codell and Niobrara Formations; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the unit.

7. That the Applicant is requesting to drill and complete up to twenty-one (21) horizontal wells within the unit in order to efficiently and economically recover the oil, gas and associated hydrocarbons within the approximate 640-acre drilling and spacing unit composed of Section 9, Township 1 North, Range 65 West, 6th P.M., and that there will be no adverse effect on correlative rights of adjacent owners.

8. The Applicant maintains that there will be no more than six (6) surface locations, to be located anywhere within the unit, unless an exception is granted by the Director.

9. That any horizontal well drilled within the unit may enter the target formations anywhere in the unit but the treated interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the unit (regardless of the lease lines within the unit) and shall be no closer than 150 feet from the treated interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.

10. The undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing this Commission enter its order:

A. Establishing an approximate 640-acre drilling and spacing unit for the Codell and Niobrara Formations in Section 9, Township 1 North, Range 65 West, 6th P.M., and allowing up to twenty-one (21) horizontal wells in the unit in order to efficiently and economically develop and recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations in the unit.

B. Providing that any horizontal well drilled within the unit may enter the target formations anywhere in the unit but the treated interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the unit (regardless of the lease lines within the unit) and shall be no closer than 150 feet from the treated interval of another well producing from the same source of supply within the unit, unless an exception is granted by the Director.

C. Finding that an approximate 640-acre drilling and spacing unit for the development of the Codell and Niobrara Formations on the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell and Niobrara Formations in Section 9, Township 1 North, Range 65 West, 6th P.M.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April 2015, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this 12th of February, 2015.

Respectfully submitted:

KERR-MCGEE OIL & GAS ONSHORE LP

By: 

James P. Parrot
Jill Fulcher
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499
jparrot@bwenergylaw.com
jfulcher@bwenergylaw.com

Applicant's Address:

Kerr-McGee Oil & Gas Onshore LP

ATTN: Tom Yaley

1099 18th Street, Suite 1800

Denver, Colorado 80202

VERIFICATION

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

Tom Yaley, Staff Landman with 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


Tom Yaley
Tom Yaley
Staff Landman

Subscribed and sworn to before me this 12th day of February, 2015, by Tom Yaley,
Landman for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.

My commission expires: 10/17/2016

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



Notary Public

Spacing Application Reference Map
Kerr-McGee Oil & Gas Onshore LP
Section 9, Township 1 North, Range 65 West, 6th P.M.

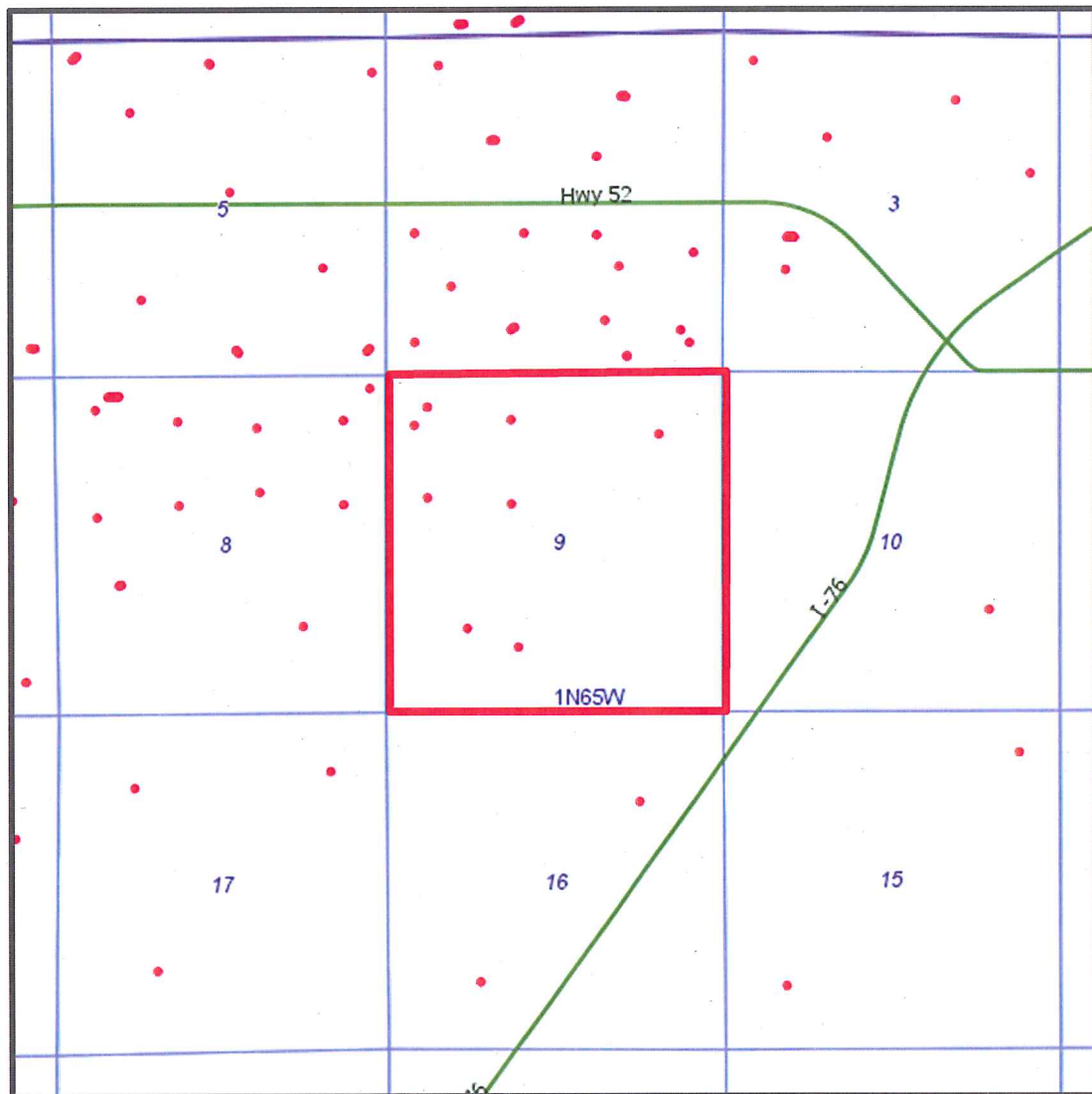


Exhibit A
Interested Party List
SP – Section 9, Township 1 North, Range 65 West, 6th P.M.

Robert S. Pirtle
P. O. Box 1310
Tyler, TX 75710-1310

Kerr-McGee Oil & Gas Onshore LP
ATTN: Tom Yaley
1099 18th Street, Suite 1800
Denver, Colorado 80202

Tom Schreiner
Colorado Parks and Wildlife
6060 Broadway
Denver, CO 80526

Ken Kuster
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Tom Parko
Weld County
1555 North 17th Street
Greeley, CO 80631

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Notary Public