

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF KERR- )	CAUSE NO. 1
MCGEE OIL & GAS ONSHORE LP'S REQUEST )	
FOR HEARING PURSUANT TO ORDER NO. 1R- )	DOCKET NO. 1205-GA-09
113 AND RULE 318A(l).e.(6) )	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On April 27, 1998, the Commission adopted Rule 318A., the Greater Wattenberg Well Location Rule ("GWA Rule"), 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. Pursuant to Rule 318A.j., Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. Section 6, Township 7 North, Range 63 West, 6<sup>th</sup> P.M. is subject to Rule 318A., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

On August 8, 2011, Rule 318A was amended to allow, among other things, horizontal wellbore spacing units to be established on unspaced lands within the Greater Wattenberg Area pursuant to certain notice and hearing procedures. Rule 318A(l).e.(6) established the notice, objection and hearing procedures for proposed horizontal wellbore units.

On March 30, 2012, Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee" or "Applicant"), pursuant to Rule 318A(l).e.(6), proposed to Encana Oil & Gas (USA) Inc. ("Encana"), and other working interest owners, that the below-described six horizontal wells ("Wells") and corresponding wellbore spacing units ("WSU") for the below described lands ("Application Lands") be established and approved, for the development and operation of the Niobrara and Codell Formations:

Township 2 North, Range 65 West, 6<sup>th</sup> P.M.

Section 3: SE<sup>1</sup>/<sub>4</sub> SW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub>

Section 10: E<sup>1</sup>/<sub>2</sub> W<sup>1</sup>/<sub>2</sub>, W<sup>1</sup>/<sub>2</sub> E<sup>1</sup>/<sub>2</sub> (Van Portfliet 36N-3HZ) – WSU #1

Township 2 North, Range 65 West, 6<sup>th</sup> P.M.

Section 10: S<sup>1</sup>/<sub>2</sub> S<sup>1</sup>/<sub>2</sub>

Section 15: N<sup>1</sup>/<sub>2</sub> N<sup>1</sup>/<sub>2</sub> (Van Portfliet 38N-10HZ) – WSU #2

Township 2 North, Range 65 West, 6<sup>th</sup> P.M.

Section 3: SE<sup>1</sup>/<sub>4</sub> SW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub>

Section 10: E<sup>1</sup>/<sub>2</sub> W<sup>1</sup>/<sub>2</sub>, W<sup>1</sup>/<sub>2</sub> E<sup>1</sup>/<sub>2</sub> (Cook 36N-3HZ) – WSU #3

Township 2 North, Range 65 West, 6<sup>th</sup> P.M.

Section 3: S<sup>1</sup>/<sub>2</sub> SE<sup>1</sup>/<sub>4</sub>

Section 10: E<sup>1</sup>/<sub>2</sub> (Cook 37C-3HZ) – WSU #4

Township 2 North, Range 65 West, 6<sup>th</sup> P.M.

Section 3: S<sup>1</sup>/<sub>2</sub> SE<sup>1</sup>/<sub>4</sub>

Section 10: E<sup>1</sup>/<sub>2</sub> (Cook 37N-E3HZ) – WSU #5

Township 2 North, Range 65 West, 6<sup>th</sup> P.M.

Section 3: S<sup>1</sup>/<sub>2</sub> SE<sup>1</sup>/<sub>4</sub>

Section 10: E<sup>1</sup>/<sub>2</sub> (Cook 37N-W3HZ) – WSU #6

On March 23, 2012, Encana submitted its objection to the six aforementioned wellbore spacing units to Kerr-McGee pursuant to Rule 318(l).e.(6)B, alleging that the proposed horizontal wellbore spacing units will cause waste.

On March 30, 2012, Kerr-McGee, by its attorneys, requested a hearing pursuant to Rule 318A(l).e.(6)C to address Encana's objections to the six proposed wellbore spacing units pursuant to Rule 318A(l).e.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Tuesday, May 29, 2012  
Wednesday, May 30, 2012  
Time: 9:00 a.m.  
Place: COGCC Offices  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

**In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than May 14, 2012, briefly stating the basis of the protest or intervention.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of May 14, 2012.** Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **May 14, 2012, the Applicant may request that an administrative hearing be scheduled beginning May 14, 2012.** In the alternative, pursuant to Rule 511., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By   
Peter J. Gowen, Acting Secretary

Dated at Suite 801  
1120 Lincoln Street  
Denver, Colorado 80203  
April 20, 2012

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