

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

IN THE MATTER OF THE APPLICATION OF KERR- )	CAUSE NO. 232 & 407
MC GEE OIL & GAS ONSHORE LP FOR AN ORDER )	
POOLING ALL INTERESTS IN FOUR APPROXIMATE )	DOCKET NO. 1211-UP-279
160-ACRE DESIGNATED WELLBORE SPACING )	
UNITS LOCATED IN SECTIONS 29 AND 32, )	
TOWNSHIP 2 NORTH, RANGE 67 WEST, 6 <sup>TH</sup> P.M. )	
FOR THE CODELL, NIOBRARA AND J SAND )	
FORMATIONS, WATTENBERG FIELD, WELD )	
COUNTY, COLORADO )	
)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On October 19, 1981, the Commission issued Order No. 232-23 which, among other things, established 320-acre drilling and spacing units, and approved up to two wells within each unit, for the production of oil, gas and associated hydrocarbons from the J Sand Formation. Sections 29 and 32, Township 2 North, Range 67 West, 6<sup>th</sup> P.M. are subject to this Order for the J Sand Formation.

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, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the permitted well locations in accordance with the provisions of Order No. 407-1. Sections 29 and 32, Township 2 North, Range 67 West, 6<sup>th</sup> P.M. are subject to this Order for the Codell and Niobrara Formations.

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. Sections 29 and 32, Township 2 North, Range 67 West, 6<sup>th</sup> P.M. are subject to this Order for the J Sand, Codell and Niobrara Formations.

On September 17, 2012, Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee" or "Applicant"), by its attorneys, filed with the Commission pursuant to § 34-60-116 C.R.S., a verified application ("Application") for an order to pool all interests within each of four approximate 160-acre designated wellbore spacing units established for the below-described lands ("Application Lands"), for the development and operation of the J Sand, Codell and Niobrara Formations, effective as of the earlier of the date Application, or the date that any of the costs specified in C.R.S § 34-60-116(7)(b)(II) were first incurred for the drilling of each respective well, and to subject any nonconsenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7):

the Hidden Creek 23-29 Well (API No. 05-123-35020) for the Codell and Niobrara Formations, located in the following lands:

Township 2 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 29: E $\frac{1}{2}$  SW $\frac{1}{4}$ , W $\frac{1}{2}$  SE $\frac{1}{4}$  (WSU #1 – 160-acres);

the Hidden Creek 25-29 Well (API No. 05-123-35025) for the Codell and Niobrara Formations, located in the following lands:

Township 2 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 29: SE $\frac{1}{4}$  NW $\frac{1}{4}$ , SW $\frac{1}{4}$  NE $\frac{1}{4}$ , NW $\frac{1}{4}$  SE $\frac{1}{4}$ , NE $\frac{1}{4}$  SW $\frac{1}{4}$  (WSU #2 – 160-acres);

the Hidden Creek 35-29 Well (API No. 05-123-35018) for the J Sand, Codell and Niobrara Formations, located in the following lands:

Township 2 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 29: S $\frac{1}{2}$  SW $\frac{1}{4}$   
Section 32: N $\frac{1}{2}$  NW $\frac{1}{4}$  (WSU #3 – 160-acres);

the Hidden Creek 36-29 Well (API No. 05-123-35013) for the J Sand, Codell and Niobrara Formations, located in the following lands:

Township 2 North, Range 67 West, 6<sup>th</sup> P.M.

Section 29: SE $\frac{1}{4}$  SW $\frac{1}{4}$ , SE $\frac{1}{4}$  SE $\frac{1}{4}$

Section 32: NE $\frac{1}{4}$  NW $\frac{1}{4}$ , NW $\frac{1}{4}$  NE $\frac{1}{4}$

(WSU #4 – 160-acres)

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: Thursday, November 15, 2012  
Friday, November 16, 2012

Time: 9:00 a.m.


Place: Colorado Oil and Gas Conservation Commission  
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 October 31, 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 October 31, 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 October 31, 2012, the Applicant may request that an administrative hearing be scheduled beginning October 31, 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.**

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By   
Robert J. Frick, Secretary

Dated: October 4, 2012

Colorado Oil and Gas Conservation Commission	Attorneys for Kerr-McGee:
1120 Lincoln Street, Suite 801	Jamie L. Jost
Denver, Colorado 80203	Elizabeth Gallaway
Website: <a href="http://cogcc.state.co.us">http://cogcc.state.co.us</a>	Beatty & Wozniak, P.C.
Phone: (303) 894-2100	216 16th Street, Suite 1100
Fax: (303) 894-2109	Denver, Colorado 80202
	(303) 407-4499
	<a href="mailto:jjost@bwenenergy.com">jjost@bwenenergy.com</a>
	<a href="mailto:egallaway@bwenenergy.com">egallaway@bwenenergy.com</a>