

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

IN THE MATTER OF THE APPLICATION OF KERR-)	CAUSE NO. 407
MCGEE OIL & GAS ONSHORE LP FOR AN ORDER)	
TO POOL ALL INTERESTS IN AN APPROXIMATE)	DOCKET NO. 1302-UP-42
640-ACRE DESIGNATED WELLBORE SPACING)	
UNIT LOCATED IN SECTION 31, TOWNSHIP 3)	
NORTH, RANGE 64 WEST, SECTION 36, TOWNSHIP)	
3 NORTH, RANGE 65 WEST, SECTION 1,)	
TOWNSHIP 2 NORTH, RANGE 65 WEST AND)	
SECTION 6, TOWNSHIP 2 NORTH, RANGE 64)	
WEST, FOR THE NIOBRARA FORMATION,)	
WATTENBERG FIELD, WELD COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

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 Codell and Niobrara Formations, with the permitted well locations in accordance with the provisions of Order No. 407-1. Section 31, Township 3 North, Range 64 West, 6th P.M., Section 36, Township 3 North, Range 65 West, 6th P.M., Section 1, Township 2 North, Range 65 West, 6th P.M., and Section 6, Township 2 North, Range 64 West, 6th P.M. are subject to this Order for the Niobrara Formation.

On August 8, 2011, the Commission entered Order No. 407-463 which, among other things, established an approximate 296.84-acre wellbore spacing unit and approved one horizontal well within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. Section 31, Township 3 North, Range 64 West, 6th P.M. is subject to this Order for the Niobrara Formation.

On April 27, 1988, 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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, 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, among other things, to address drilling of horizontal wells. Section 31, Township 3 North, Range 64 West, 6th P.M., Section 36, Township 3 North, Range 65 West, 6th P.M., Section 1, Township 2 North, Range 65 West, 6th P.M., and Section 6, Township 2 North, Range 64 West, 6th P.M. are subject to Rule 318a for the Niobrara Formation.

On December 13, 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 an approximate 640-acre designated wellbore spacing unit established for the below-described lands ("Application Lands"), for the development and operation of the Niobrara Formation, effective as of the earlier of the date of the 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 the Dechant State 38N-1HZ Well (API No. 05-123-36292) ("Well"), and to subject any nonconsenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7):

Township 3 North, Range 64 West, 6th P.M.
Section 31: W¹/₂ W¹/₂

Township 3 North, Range 65 West, 6th P.M.
Section 36: E¹/₂ E¹/₂

Township 2 North, Range 65 West, 6th P.M.
Section 1: E¹/₂ E¹/₂

Township 2 North, Range 64 West, 6th P.M.
Section 6: W¹/₂ W¹/₂

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: Monday, February 11, 2013
Tuesday, February 12, 2013
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 January 28, 2013, 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 January 28, 2013.** 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 **January 28, 2013, the Applicant may request that an administrative hearing be scheduled during the week of January 28, 2013.** 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: January 14, 2013

Colorado Oil and Gas Conservation Commission
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