

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)
VACATE ONE APPROXIMATE 200-ACRE WELLBORE) DOCKET NO. 1306-UP-109
SPACING UNIT AND ONE APPROXIMATE 400-ACRE)
WELLBORE SPACING UNIT, POOLED BY ORDER NO.)
407-592 FOR SECTIONS 26 AND 35, TOWNSHIP 3)
NORTH, RANGE 66 WEST, 6TH P.M., 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-Niobrara Formation, with the permitted well locations in accordance with the provisions of Order No. 407-1. Sections 26 and 35, Township 3 North, Range 66 West, 6th P.M. are subject to this Order for the Niobrara Formation.

On July 9, 2012, the Commission issued Order No. 407-592 which, among other things, pooled all interests in three designated wellbore spacing units including a 400-acre wellbore spacing unit to accommodate the Brown 37N-26HZ Well and a 200-acre wellbore spacing unit for the Brown 16N-26HZ Well, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. Sections 26 and 35, Township 3 North, Range 66 West, 6th P.M. are 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. Sections 26 and 35, Township 3 North, Range 66 West, 6th P.M. are subject to Rule 318A for the Niobrara Formation.

On April 17, 2013, 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 vacate one approximate 200-acre wellbore spacing unit and one approximate 400-acre designated wellbore spacing unit pooled by Order No. 407-592 as to the following below-described lands ("Application Lands") for the Niobrara Formation:

Township 3 North, Range 66 West, 6th P.M.

Section 26: S $\frac{1}{2}$ SE $\frac{1}{4}$ (400 acres, "WSU #1")
Section 35: E $\frac{1}{2}$ (Brown 37N-26HZ – API No. 05-123-35151)

Township 3 North, Range 66 West, 6th P.M.

Section 26: S $\frac{1}{2}$ SE $\frac{1}{4}$

(200 acres, "WSU #3")

Section 35: E $\frac{1}{2}$ E $\frac{1}{2}$

(Brown 16N-26HZ – API No. 05-123-35166)

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

Date: Monday, June 17, 2013
Tuesday, June 18, 2013

Time: 9:00 a.m.

Place: Two Rivers Convention Center
159 Main Street
Grand Junction, Colorado 81501

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 June 3, 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. One electronic, one original and two 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 June 3, 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 **June 3, 2013, the Applicant may request that an administrative hearing be scheduled beginning June 3, 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: May 23, 2013

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