

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 FIVE APPROXIMATE) DOCKET NO. 1310-UP-221
240-ACRE TO 480-ACRE DESIGNATED WELLBORE)
SPACING UNITS LOCATED IN SECTIONS 22, 23, 26)
AND 27, TOWNSHIP 1 NORTH, RANGE 67 WEST, 6TH)
P.M. FOR THE CODELL AND NIOBRARA)
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On December 19, 1983, the Commission entered Order No. 407-1 (amended March 29, 2000) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the unit to be designated by the operator drilling the first well in the quarter section. The permitted well shall be located in the center of either 40-acre tract within the unit with a tolerance of 200 feet in any direction. The operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit. Sections 22, 23, 26 and 27, Township 1 North, Range 67 West, 6th P.M. are subject to this Order for the Codell Formation.

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 and/or gas from the Codell and Niobrara Formations underlying certain lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Sections 22, 23, 26 and 27, Township 1 North, Range 67 West, 6th 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. 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 22, 23, 26 and 27, Township 1 North, Range 67 West, 6th P.M. are subject to Rule 318A for the Codell and Niobrara Formations.

On August 29, 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 pool all interests in five approximate 240 to 480-acre designated wellbore spacing units established for the below-described lands ("Application Lands"), for the development and operation of the Codell and Niobrara Formations, 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 Howard 10N-22HZ Well, the Howard 24C-

22HZ Well, the Howard 24N-22HZ Well, the Howard 9C-22HZ Well, and the Howard Federal 40N-22HZ Well (API Nos. Pending) ("Wells"), and to subject any nonconsenting interests to the cost recovery provisions of C.R.S. §34-60-116(7):

Township 1 North, Range 67 West, 6th P.M.

Section 22: W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 27: W $\frac{1}{2}$ E $\frac{1}{2}$ ("WSU#1", Howard 10N-22HZ)

Township 1 North, Range 67 West, 6th P.M.

Section 22: SE $\frac{1}{4}$

Section 27: E $\frac{1}{2}$ ("WSU#2", Howard 24C-22HZ)

Township 1 North, Range 67 West, 6th P.M.

Section 22: SE $\frac{1}{4}$

Section 27: E $\frac{1}{2}$ ("WSU#3", Howard 24N-22HZ)

Township 1 North, Range 67 West, 6th P.M.

Section 22: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 27: E $\frac{1}{2}$ E $\frac{1}{2}$ ("WSU#4", Howard 9C-22HZ)

Township 1 North, Range 67 West, 6th P.M.

Section 22: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 23: W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 26: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 27: E $\frac{1}{2}$ E $\frac{1}{2}$ ("WSU#5", Howard Federal 40N-22HZ)

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, October 28, 2013
Tuesday, October 29, 2013

Time: 9:00 a.m.

Place: Limon Community Center
477 D Avenue
Limon, CO 80826

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 11, 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 (cogcc.hearings_unit@state.co.us), 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 October 15, 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 **October 15, 2013, the Applicant may request that an administrative hearing be scheduled beginning October 15, 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: October 3, 2013

Colorado Oil and Gas Conservation Commission
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