### BEFORE THE OIL & GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF KERR-	)
MCGEE OIL & GAS ONSHORE LP FOR AN ORDER TO	)
POOL ALL INTERESTS IN THREE APPROXIMATE	CAUSE NO.
400-ACRE DESIGNATED HORIZONTAL WELLBORE	)
SPACING UNITS LOCATED IN SECTIONS 8 AND 17,	DOCKET NO.
TOWNSHIP 1 NORTH, RANGE 66 WEST, 6 <sup>TH</sup> P.M., FOR	)
THE DEVELOPMENT/OPERATION OF THE NIOBRARA )	)
AND CODELL FORMATIONS, WATTENBERG FIELD,	)
WELD COUNTY, COLORADO	)

#### **APPLICATION**

Kerr-McGee Oil & Gas Onshore LP (Operator No. 47120) ("Kerr-McGee" or "Applicant"), by and through its attorneys, Davis Graham & Stubbs LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to pool all interests in three approximate 400-acre horizontal wellbore spacing units designated for portions of Sections 8 and 17, Township 1 North, Range 66 West, 6<sup>th</sup> P.M., for development and operation of the Niobrara and Codell Formations.

In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a limited partnership formed under the laws of the State of Delaware; is a wholly owned subsidiary of Anadarko Petroleum Corporation; is duly authorized to conduct business in the State of Colorado; and is a registered operator in good standing with the Commission.
  - 2. Applicant owns substantial leasehold interests in the below-listed lands:

Wellbore Spacing Unit ("WSU") Nos. 1, 2 and 3

Township 1 North, Range 66 West, 6<sup>th</sup> P.M.

Section 8: W1/2

Section 17: N½NW¼

Weld County, Colorado;

These lands are hereinafter collectively referred to as the "Application Lands."

- 3. 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. The Application Lands are subject to Rule 318A.
- 4. 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 Niobrara and Codell Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

- 5. Pursuant to Rule 318A, Applicant designated an approximate 400-acre horizontal wellbore spacing unit (WSU No. 1), comprised of the Application Lands, for the FL Greens Federal 13C-8HZ well, (API No. Pending), for the production of oil, gas and associated hydrocarbons from the Codell Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A. Applicant did not receive objections to the establishment of the proposed wellbore spacing unit within the 30-day response period.
- 6. Pursuant to Rule 318A, Applicant designated an approximate 400-acre horizontal wellbore spacing unit (WSU No. 2), comprised of the Application Lands, for the FL Greens Federal 13N-8HZ well, (API No. Pending), for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A. Applicant did not receive objections to the establishment of the proposed wellbore spacing unit within the 30-day response period.
- 7. Pursuant to Rule 318A, Applicant designated an approximate 400-acre horizontal wellbore spacing unit (WSU No. 3), comprised of the Application Lands, for the FL Greens Federal 35N-8HZ well, (API No. Pending), for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A. Applicant did not receive objections to the establishment of the proposed wellbore spacing unit within the 30-day response period.
- 8. The FL Greens Federal 13C-8HZ well, the FL Greens Federal 13N-8HZ well and the FL Greens Federal 35N-8HZ well are hereinafter collectively referred to as the "Subject Wells."
- 9. Acting pursuant to the applicable Colorado Statutes and Commission Regulations, Applicant seeks an order pooling all interests, including, but not limited to, any non-consenting interests and leased mineral interests, in three approximate 400-acre horizontal wellbore spacing units designated for the Application Lands for the development and operation of the Niobrara and Codell Formations.
- 10. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application, or, as applicable, the date that the costs specified in § 34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Subject Wells in WSU Nos. 1, 2 and 3, whichever is earlier.
- 11. Further, Applicant requests that any non-consenting interests with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Wells, be pooled by operation of statute, pursuant to § 34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof.
- 12. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §§ 34-60-101, et seq., C.R.S., and the Commission rules.
- 13. Applicant requests that relief granted under this Application be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

14. Applicant certifies that copies of this Application will be served on the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) within seven (7) days of the date hereof, as required by Rule 507.b.(2). The Applicant shall submit a certificate of service for the Application, along with the names and addresses of the interested parties according to the information and belief of the Applicant, within the seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing, this Commission enter its order:

- A. Pooling all interests in three approximate 400-acre designated horizontal wellbore spacing units established for the Application Lands, for the development and operation of the Niobrara and Codell Formations, with the pooling order made effective as of the date of this Application, or, the date that the costs specified in § 34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells in WSU Nos. 1, 2, and 3, whichever is earlier.
- B. Providing that the non-consenting interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Wells, are pooled by operation of statute, pursuant to § 34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

### DATED this 16 day of July, 2015.

Respectfully submitted,

**KERR-MCGEE OIL & GAS ONSHORE LP** 

By:

Greg Nibert, Jr. John Jacus Eric Waeckerlin

Davis Graham & Stubbs LLP 1550 17<sup>th</sup> Street, Suite 500 Denver, Colorado 80202 greg.nibert@dgslaw.com john.jacus@dgslaw.com eric.waeckerlin@dgslaw.com

#### **Address of Applicant**

Kerr-McGee Oil & Gas Onshore LP Attention: Will Vaughan 1099 18<sup>th</sup> Street, Suite 1800 Denver, Colorado 80202

### **VERIFICATION**

STATE OF COLORADO	)
CITY AND COUNTY OF DENVER	) ss. )
mat he is a Senior Landman for Ke	peing first duly sworn upon oath, deposes and says rr-McGee Oil & Gas Onshore LP, and that he has that the matters therein contained are true to the hid belief.
	Will Vale
	Will Vaughan <sup>≀/</sup> Senior Landman Kerr-McGee Oil & Gas Onshore LP
Subscribed and sworn to before me t	his <u>/// </u> day of July, 2015.
Witness my hand and official seal.	
[SEAL]	STATE OF THE STATE
My commission expires: 3-/5-2	CONMISSION COMMISSION
Qua M. Williams	,
	Notary Public

# Exhibit A Interested Parties

Erich Helm 315 South Denver Ave. Fort Lupton, CO 80621

United Power PO Box 929 Brighton, CO 80601

Xcel Energy, Inc. fka Public Service Company of Colorado 1800 Larimer St., Ste 1400 Denver, CO 80202 Ft. Lupton Commercial 8791 Circle Drive Westminster, CO 80031

Joanne C. Brokaw 150 Siesta Dr. Aptos, CA 95003 Gregory Eugene Reiva, Conservator of Jeanette H. Reiva 3331 Jennings St. Sioux City, IA 51104

Shirley May Bell 950 South Fulton Ave. Fort Lupton, CO 80621 Richard James Gabel 6192 Sage Ave. Longmont, CO 80504

Patricia Ann Glynn 9841 E. 157th Ave. Brighton, CO 80601 Leroy Joseph Gabel 301 Moser Rd. Louisville, KY 40223

Mary Maxine Hilderbrand 5900 Winkler Dr. Amarillo, TX 79109 Blanca Sanchez 210 South Denver Ave. Fort Lupton, CO 80621

Rudy Sanchez 210 South Denver Ave. Fort Lupton, CO 80621 Santos Sanchez 210 South Denver Ave. Fort Lupton, CO 80621

Ft. Lupton 110 8791 Circle Drive Westminster, CO 80031 The City of Fort Lupton 130 South McKinley Ave. Fort Lupton, CO 80621 Vincent Properties, Inc. 3711 North Glebe Road Arlington, VA 22207 Estate of Ralph Vincent PO Box 4575 Boulder, CO 80306

Fort Lupton Fire Protection District 1121 Denver Avenue Fort Lupton, CO 80621 Fort Lupton Greens, LLP 8791 Circle Drive Westminster, CO 80031

Jacquelyn Ann Smith PO Box 710 Fort Lupton, CO 80621 Deborah Ann Tiffany 703 East Egbert Street Brighton, CO 80601

Pamela Ann Trostel 11678 Montgomery Circle Longmont, CO 80504 Philip T. Gabel and Joan R. Gabel 13504 County Road 12 Fort Lupton, CO 80621

Lone Pine Corporation 1762 N. Denver Ave. Fort Lupton, CO 80621 Kathleen Moser Peake and Rick Moser as Co-Conservators for the Estate of Bruce Moser PO Box 495 Hudson, CO 80642

Rick Moser 11488 Weld County Road 41 Hudson, CO 80642 Kathleen Moser Peake PO Box 495 Hudson, CO 80642

Artina Campbell 10437 Nucla Street Commerce City, CO 80022 Audrey Dowdy PO Box 555 Hudson, CO 80642

Kerr-McGee Oil & Gas Onshore LP P. O. Box 173779 Denver, CO 80217

Grizzly Petroleum Company, LLC 1801 Broadway, Ste 500 Denver, CO 80202

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AND CODELL FORMATIONS, WATTENBERG FIELD	D, )
WELD COUNTY, COLORADO	)
CERTIFICATE OF SERV	<u>/ICE</u>
STATE OF COLORADO )	
)ss.	
CITY AND COUNTY OF DENVER )	

Greg Nibert Jr., of lawful age, and being first duly sworn upon his oath, states and declares:

That he is an attorney for Kerr-McGee Oil & Gas Onshore LP, and that on or before July 23, 2015, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on <u>Exhibit A</u> to the Application.

Greg Nibert Jr

Subscribed and sworn to before me July 16, 2015.

Witness my hand and official seal.

My commission expires: 1-21-2017

Notary Public

SUSANNE JOSLIN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20094002376 NY COMMISSION EXPIRES JANUARY 21, 2017