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

IN THE MATTER OF AN APPLICATION BY KERR-MCGEE OIL & GAS ONSHORE LP FOR AN ORDER POOLING ALL INTERESTS IN FOUR APPROXIMATE 240-ACRE TO 480-ACRE DESIGNATED HORIZONTAL WELLBORE **SPACING** UNITS ESTABLISHED FOR CERTAIN PORTIONS OF SECTIONS 21 AND 28, TOWNSHIP 2 NORTH. 6TH RANGE 65 WEST. P.M., FOR DEVELOPMENT/OPERATION OF THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. To be assigned

APPLICATION

Kerr-McGee Oil & Gas Onshore LP, Operator No. 47120 ("Kerr-McGee" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order pooling all interests in four approximate 240-acre to 480-acre horizontal wellbore spacing units established for certain portions of Sections 21 and 28, Township 2 North, Range 65 West, 6th P.M., for the development and operation of the Codell and Niobrara 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:

Township 2 North, Range 65 West, 6th P.M.

Section 21: S½NW¼, SW¼ Section 28: NW¼, N½SW¼

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

Township 2 North, Range 65 West, 6th P.M.

Section 21: SW¼NW¼, W½SW¼ Section 28: W½NW¼, NW¼SW¼

WSU No. 3

Township 2 North, Range 65 West, 6th P.M.

Section 21: SE¼NW¼, E½SW¼ Section 28: E½NW¼, NE¼SW¼

WSU No. 4

These lands are hereinafter collectively referred to as the "Application Lands" and depicted in Exhibit A attached hereto.

- 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. Pursuant to Rule 318A., Applicant designated four approximate 240-acre to 480-acre horizontal wellbore spacing units, comprised of the Application Lands, for the below-described wells, for the production of oil, gas and associated hydrocarbons from the Codell or Niobrara Formations. Applicant notified all owners in the proposed horizontal wellbore spacing units pursuant to Rule 318A.e.(5). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing units within the 30-day response period:
- a. Adamson 36N-28HZ Well (API No. 05-123-41820) Niobrara Formation WSU No. 1;
- b. Adamson 14N-28HZ Well (API No. 05-123-41822) Niobrara Formation WSU No. 2;
- c. Adamson 35C-28HZ Well (API No. 05-123-41824) Codell Formation WSU No. 3; and
- d. Adamson 37C-28HZ Well (API No. 05-123-41819) Codell Formation WSU No. 4.

These wells are hereinafter referred to as the "Subject Wells."

- 5. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in WSU Nos. 1-4 established for the Application Lands, for the development and operation of the Codell and Niobrara Formations.
- 6. Applicant requests that the Commission's pooling order be made effective as of the earlier 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 within WSU Nos. 1-4.

- 7. Further, Applicant requests that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of each of the Subject Wells, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of each of the Subject Wells.
- 8. 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.
- 9. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
- 10. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, 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 WSU Nos. 1-4 established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the earlier 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 within WSU Nos. 1-4.
- B. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of each 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, effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of each of the Subject Wells.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 27 day of August, 2015.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By:

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Beatty & Wozniak, P.C.
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Address of Applicant
Kerr-McGee Oil & Gas Onshore LP
ATTN: Hannah Becker
1099 18th Street, Suite 1800
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Hannah Becker, Landman II with Kerr-McGee Oil & Gas Onshore LP, upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

KERR-MCGEE OIL & GAS ONSHORE LP

Hannah Becker

Subscribed and sworn to before me this _______ day of August, 2015, by Hannah Becker, Landman II for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.

My commission expires: 07/31/2017

Notary Public

AMBER NICHOLE FALBO
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20094024567
MY COMMISSION EXPIRES 07/31/2017

Exhibit A

Reference Map for Pooling Application

18	17	16	15	14
19	20	2N6 21	5W	23
30	29	28	27	26
31	32	33	34	35
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EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this <u>Exhibit B</u>.

WILLIAM A. MEGUIRE, JR. 8754 COUNTY ROAD 41 FORT LUPTON CO 80621

KENNETH E. LUCAS 4613 BUCKNELL GARLAND TX 75042

CONSTANCE A. NICHOLSON 1750 STERLING LANE LEWISVILLE TX 75067 DOUGLAS A. COON 3630 HOLLYBERRY CIRCLE ANCHORAGE AK 99507

DEBORAH A. BUTTERFIELD 1772 MINEOLA STREET COLORADO SPRINGS CO 80915 ELEANORE J. ADAMSON 43003 CORTE FRESCA TEMECULA CA 92592

MICHAEL DAVID ADAMSON AND LINDA SUE ADAMSON, CO-TRUSTEES OF THE MICHAEL AND LINDA ADAMSON LIVING TRUST DATED JANUARY 9, 2014 12212 SUNGROVE ST GARDEN GROVE CA 92840 ANTHONY EDWARD ARNDT 522 OLD ORCHARD DR DANVILLE CA 94526

MYRA FRANCES ROLAND 369 ECHO DR WAYNESVILLE NC 28786

KERR-MCGEE OIL & GAS ONSHORE LP 1099 18TH STREET, SUITE 1800 DENVER, CO 80202

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

IN THE MATTER OF AN APPLICATION BY KERR-MCGEE OIL & GAS ONSHORE LP FOR AN ORDER POOLING ALL INTERESTS IN FOUR APPROXIMATE 240-ACRE TO 480-ACRE DESIGNATED WELLBORE SPACING HORIZONTAL UNITS ESTABLISHED FOR CERTAIN PORTIONS OF SECTIONS 21 AND 28, TOWNSHIP 2 NORTH, 6TH WEST. P.M., **FOR** RANGE 65 THE DEVELOPMENT/OPERATION OF THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

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AFFIDAVIT OF MAILING

STATE OF COLORADO	()
) ss.
CITY AND COUNTY OF DENVER)

Chanda Thomsen, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Kerr-McGee Oil & Gas Onshore LP, and on or before September 3, 2015, 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 B</u> to the Application.

Chanda Thomsen

Subscribed and sworn to before me this <u>Oll</u> day of August, 2015.

Witness my hand and official seal.

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION EXPIRES OCT.4, 2017

Notary Public