

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

IN THE MATTER OF THE PROMULGATION AND
ESTABLISHMENT OF FIELD RULES TO GOVERN
OPERATIONS FOR THE NIOBRARA AND CODELL
FORMATIONS, WATTENBERG FIELD, WELD
COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

Kerr-McGee Oil & Gas Onshore LP (Operator No. 47120) ("Kerr-McGee" or "Applicant"), submits this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests in two approximate 320-acre wellbore spacing units and seven approximate 640-acre wellbore spacing units designated for portions of Sections 3 and 4, Township 1 North, Range 68 West, and Sections 27, 28, 33, and 34, Township 2 North, Range 68 West, 6th P.M., established for the Hammer 3-1HZ well (API No. 05-123-45118), the Hammer 3-2HZ well (API No. 05-123-45105), the Hammer 3-3HZ well (API No. 05-123-45113), the Hammer 3-4HZ well (API No. 05-123-45102), the Hammer 3-5HZ well (API No. 05-123-45126), the Hammer 3-6HZ well (API No. 05-123-45108), the Hammer 3-7HZ well (API No. 05-123-45123), the Hammer 3-8HZ well (API No. 05-123-45109), and the Hammer 3-9HZ (API No. 05-123-45110) 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 certain leasehold interests in the below-listed lands:

Township 1 North, Range 68 West, 6th P.M.

Section 3: W $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$

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

Township 2 North, Range 68 West, 6th P.M.

Section 27: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 28: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 33: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 34: W $\frac{1}{2}$ W $\frac{1}{2}$

Wellbore Spacing Unit ("WSU") Nos. 1 and 2 – 640-acres:

Hammer 3-1HZ well (Niobrara Formation)

Hammer 3-2HZ well (Niobrara Formation)

Township 1 North, Range 68 West, 6th P.M.
Section 3: W $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$

Township 2 North, Range 68 West, 6th P.M.
Section 27: SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 34: W $\frac{1}{2}$ W $\frac{1}{2}$

WSU No. 3 – 320-acres:
Hammer 3-3HZ well (Codell Formation)

Township 1 North, Range 68 West, 6th P.M.
Section 3: N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$

Township 2 North, Range 68 West, 6th P.M.
Section 27: S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 34: W $\frac{1}{2}$

WSU Nos. 4 thru 7 – 640-acres:
Hammer 3-4HZ well (Niobrara Formation)
Hammer 3-5HZ well (Niobrara Formation)
Hammer 3-6HZ well (Codell Formation)
Hammer 3-7HZ well (Niobrara Formation)

Township 1 North, Range 68 West, 6th P.M.
Section 3: NE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$

Township 2 North, Range 68 West, 6th P.M.
Section 27: SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 34: E $\frac{1}{2}$ W $\frac{1}{2}$

WSU No. 8 – 320-acres:
Hammer 3-8HZ well (Niobrara Formation)

Township 1 North, Range 68 West, 6th P.M.
Section 3: NE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$

Township 2 North, Range 68 West, 6th P.M.
Section 27: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 34: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$

WSU No. 9 – 640-acres:
Hammer 3-9HZ well (Codell Formation)

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

3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. The Application Lands are subject to Rule 318A.

4. On February 19, 1992, the Commission entered Order No. 407-87 (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 each of the following horizontal wellbore spacing units and notified the appropriate parties under Rule 318A:

A. WSU No. 1 - A 640-acre wellbore spacing unit established for the Hammer 3-1HZ well for the Niobrara Formation.

B. WSU No. 2 - A 640-acre wellbore spacing unit established for the Hammer 3-2HZ well for the Niobrara Formation.

C. WSU No. 3 - A 320-acre wellbore spacing unit established for the Hammer 3-3HZ well for the Codell Formation.

D. WSU No. 4 - A 640-acre wellbore spacing unit established for the Hammer 3-4HZ well for the Niobrara Formation.

E. WSU No. 5 - A 640-acre wellbore spacing unit established for the Hammer 3-5HZ well for the Niobrara Formation.

F. WSU No. 6 - A 640-acre wellbore spacing unit established for the Hammer 3-6HZ well for the Codell Formation.

G. WSU No. 7 - A 640-acre wellbore spacing unit established for the Hammer 3-7HZ well for the Niobrara Formation.

H. WSU No. 8 - A 320-acre wellbore spacing unit established for the Hammer 3-8HZ well for the Niobrara Formation.

I. WSU No. 9 - A 640-acre wellbore spacing unit established for the Hammer 3-9HZ well for the Codell Formation.

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

6. At this time, Applicant has been unable to effect the voluntary pooling of all interest within the Application Lands for the wellbore spacing units. Accordingly, Applicant seeks an order pooling all interests in the wellbore spacing units comprising the Application Lands pursuant to Commission Rules and the provisions of § 34-60-116(6), C.R.S. for the development and operation of the Niobrara and Codell Formations.

7. Applicant confirms that it is not currently requesting that the Commission apply the statutory cost recovery provisions of § 34-60-116(7), C.R.S. against any interested party in this Application. Applicant reserves the right to seek an order to apply such provisions to any nonconsenting interest in the future through amendment of this Application or subsequent application.

8. In order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Niobrara and Codell Formations.

9. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 503.e.

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

A. Pooling all interests in the wellbore spacing units comprising the Application Lands for the development and operation of the Niobrara and Codell Formations pursuant to § 34-60-116(6), C.R.S.

B. For any other findings and orders the Commission may deem proper or advisable in this matter.

Dated: November 30, 2017.

Respectfully submitted:

KERR-MCGEE OIL & GAS ONSHORE LP

By: 

Greg Nibert, Jr.

John Jacus

Davis Graham & Stubbs LLP

1550 Seventeenth Street, Suite 500

Denver, Colorado 80202

(303) 892-9400

Applicant's Address:

Kerr-McGee Oil & Gas Onshore LP

ATTN: Dave Sullivan

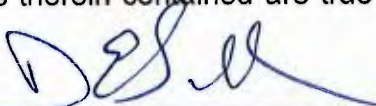
1099 18th Street, Suite 1800

Denver, CO 80202

VERIFICATION

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

Dave Sullivan, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman for Kerr-McGee Oil & Gas Onshore LP, that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.



Dave Sullivan, Landman
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before me this 30 day of November, 2017.

Witness my hand and official seal.



Notary Public