

**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 400-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS FOR CERTAIN PORTIONS OF SECTIONS 13 AND 24, TOWNSHIP 1 NORTH, RANGE 66 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF 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"), 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 ("Commission") for an order pooling all interests in four approximate 400-acre horizontal wellbore spacing units established for certain portions of Sections 13 and 24, Township 1 North, Range 66 West, 6<sup>th</sup> P.M., for the 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 duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant is an owner in the below-listed lands:

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

Section 13: E $\frac{1}{2}$ W $\frac{1}{2}$ , W $\frac{1}{2}$ E $\frac{1}{2}$

Section 24: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$

***Wellbore Spacing Unit ("WSU") Nos. 1-4***

400 acres, more or less, Weld County, Colorado.

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. Upon information and belief, Applicant designated four approximate 400-acre horizontal wellbore spacing units comprised of certain portions of the Application Lands, for the below-described wells, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. Applicant notified all owners in the proposed 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. Azul 13-15HZ Well (API No. 05-123-46110) – Niobrara Formation - WSU #1.
- b. Azul 13-16HZ Well (API No. 05-123-46117) – Niobrara Formation - WSU #2.
- c. Azul 13-17HZ Well (API No. 05-123-46111) – Codell Formation - WSU #3.
- d. Azul 13-18HZ Well (API No. 05-123-46120) – Niobrara Formation - WSU #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 Niobrara and Codell 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 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 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, the 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 Niobrara and Codell 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 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 the Subject Wells.

C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 18<sup>th</sup> day of January, 2018.

Respectfully submitted,

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

By: 

James Parrot  
Jillian Fulcher  
Evan Bekkedahl  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16th Street, Suite 1100  
Denver, Colorado 80202  
(303) 407-4499  
jparrot@bwenergylaw.com  
jfulcher@bwenergylaw.com  
ebekkedahl@bwenergylaw.com

Applicant's Address:

Kerr-McGee Oil & Gas Onshore LP  
ATTN: Tom Yaley  
1099 18<sup>th</sup> Street, Suite 1360  
Denver, Colorado 80202

VERIFICATION

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

Tom Yaley, Landman for Kerr-McGee Oil & Gas Onshore LP, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

KERR-MCGEE OIL & GAS ONSHORE LP

Tom Yaley  
Tom Yaley

Subscribed and sworn to before me this 18<sup>th</sup> day of January, 2018, by Tom Yaley, Landman for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.

My commission expires: 2/17/2019

CORRINA M. SCHERBARTH  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20114010340  
MY COMMISSION EXPIRES 02/17/2019

Corrina M Scherbarth  
Notary Public

## Exhibit A

Reference Map for Pooling Application

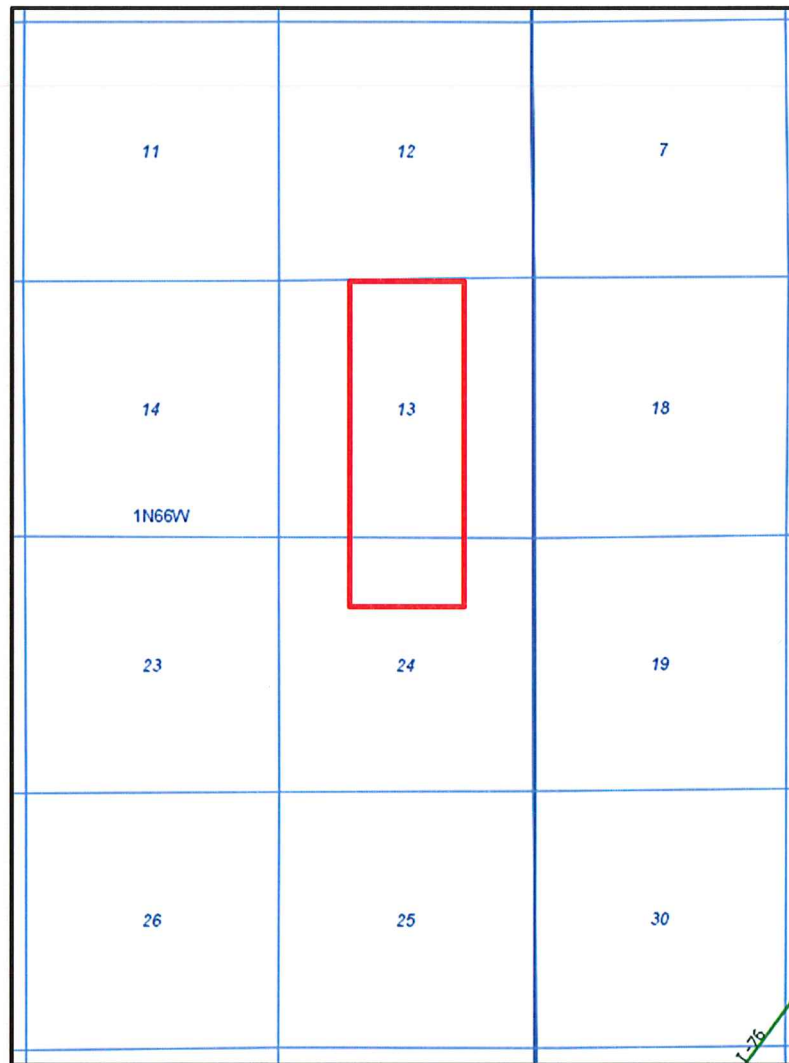
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**Wellbore Spacing Unit ("WSU") Nos. 1-4**

400 acres, more or less, Weld County, Colorado.



 = Application Lands









Rockies Minerals Acquisitions, LLC  
Po Box 181443  
Denver, CO 80218

Ronnie D. Motley and  
Donna S. Motley, JT  
2838 Arabian Ave  
Brighton, CO 80603

Timothy L. Crabdree and  
Anke K. Crabdree, JT  
2727 Arabian Ave  
Brighton, CO 80603

William R. Crump and  
Patricia Crump, TIC  
2825 Arabian Ave  
Brighton, CO 80601

Sonic Minerals, LP  
P.O. Box 1240  
Graham, TX 76450

G.E. Rogers, LLC  
P.O. Box 1424  
Graham, TX 76450

RECCE Investments LLC  
1300 Fisher St.  
Graham, TX 76450

Creede Exploration, Inc.  
2429 S. Earl Rudder Freeway #100  
College Station, TX 77845

B.F. Albriton LLC  
P.O. Box 266  
Graham, TX 76450

Tom Puff Inc  
1320 Lake Street  
Fort Worth, TX 76102

HM Bettis, Inc.  
P.O. Box 1240  
Graham, TX 76450