

**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 AN APPROXIMATE 400-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNIT FOR CERTAIN PORTIONS OF SECTIONS 13 AND 24, TOWNSHIP 1 NORTH, RANGE 66 WEST, 6TH P.M. AND SECTIONS 18 AND 19, TOWNSHIP 1 NORTH, RANGE 65 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL FORMATION, 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 an approximate 400-acre horizontal wellbore spacing unit established for certain portions of Sections 13 and 24, Township 1 North, Range 66 West, 6th P.M. and Sections 18 and 19, Township 1 North, Range 65 West, 6th P.M., for the development and operation of the Codell Formation. 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, 6th P.M.

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

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

Township 1 North, Range 65 West, 6th P.M.

Section 18: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 19: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") No. 1

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 an approximate 400-acre horizontal wellbore spacing unit comprised of certain portions of the Application Lands, for the below-described well, 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.e.(5). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing unit within the 30-day response period:

a. Azul 13-30HZ Well (API No. 05-123-46114) – Codell Formation - WSU #1.

This well is hereinafter referred to as the “Subject Well.”

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 No. 1 established for the Application Lands, for the development and operation of the Codell Formation.

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 Well within WSU No. 1.

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 Well, 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 Well.

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 No. 1 established for the Application Lands, for the development and operation of the Codell Formation, 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 Well within WSU No. 1.

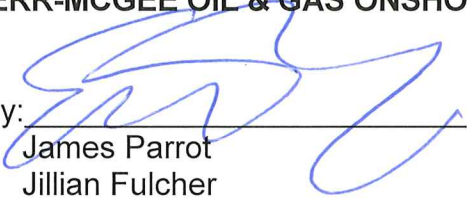
B. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Well.

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

DATED this 18th day of January, 2018.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

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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 18th 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

Township 1 North, Range 66 West, 6th P.M.

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

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

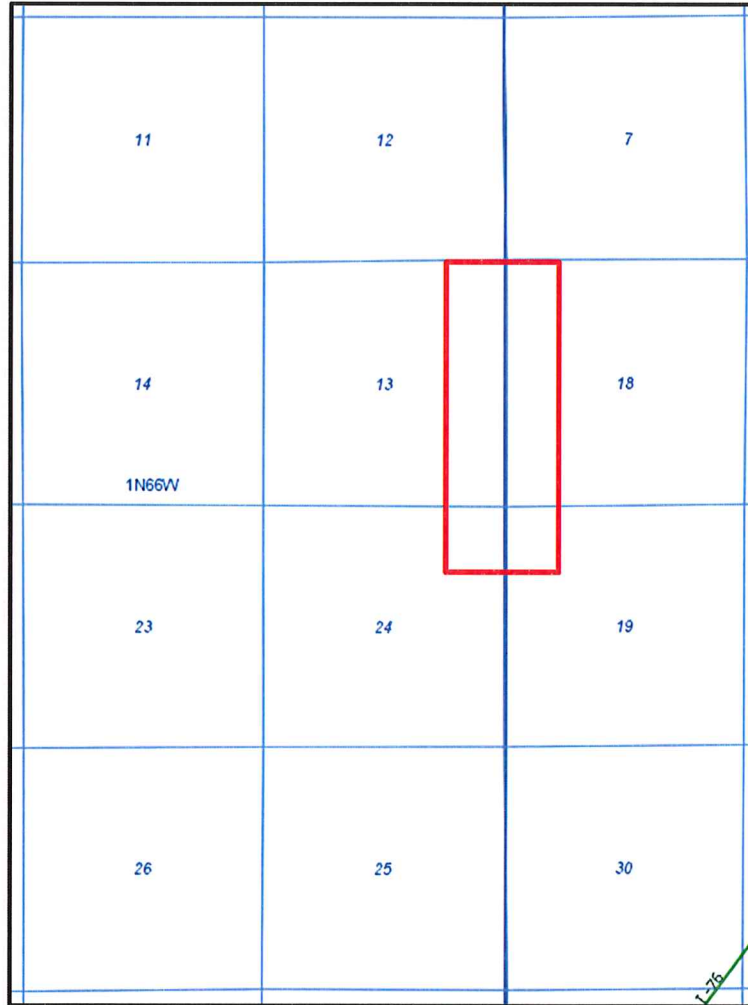
Township 1 North, Range 65 West, 6th P.M.

Section 18: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 19: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") No. 1

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



 = Application Lands

