

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 three approximate 360-acre horizontal wellbore spacing units and eight approximate 720-acre horizontal wellbore spacing units designated for portions of Sections 1 and 2, Township 1 North, Range 65 West, and Sections 25, 26, 35, and 36, Township 2 North, Range 65 West 6<sup>th</sup> P.M., established for the *Zelda 25-1HZ* well (API No. 05-123-42413), the *Zelda 25-2HZ* well (API No. 05-123-42412), the *Zelda 25-3HZ* well (API No. 05-123-42411), the *Zelda 25-4HZ* well (API No. 05-123-46390), the *Zelda 25-5HZ* well (API No. 05-123-46393), the *Zelda 25-6HZ* well (API No. 05-123-46391), the *Zelda 25-7HZ* well (API No. 05-123-46392), the *Zelda 25-8HZ* well (API No. 05-123-42409), the *Zelda 25-9HZ* well (API No. 05-123-42408), the *Zelda 25-10HZ* well (API No. 05-123-42410), the *Zelda 25-11HZ* well (API No. 05-123-42407), for development of and production from 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 65 West, 6th P.M.**

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

Section 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$

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

Section 25: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 26: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 35: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 36: W $\frac{1}{2}$ W $\frac{1}{2}$

**Wellbore Spacing Unit ("WSU") No. 1 - 720-acres**  
*Zelda 25-1HZ well (Niobrara Formation)*

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

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

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

Section 25: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 36: W $\frac{1}{2}$ W $\frac{1}{2}$

**WSU Nos. 2 and 3 – 360-acres**

*Zelda 25-2HZ well (Codell Formation)*

*Zelda 25-3HZ well (Niobrara Formation)*

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

Section 1: N $\frac{1}{2}$ NW $\frac{1}{4}$

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

Section 25: W $\frac{1}{2}$

Section 36: W $\frac{1}{2}$

**WSU Nos. 4 thru 6 - 720-acres**

*Zelda 25-4HZ well (Niobrara Formation)*

*Zelda 25-5HZ well (Codell Formation)*

*Zelda 25-6HZ well (Niobrara Formation)*

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

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

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

Section 25: E $\frac{1}{2}$ W $\frac{1}{2}$

Section 36: E $\frac{1}{2}$ W $\frac{1}{2}$

**WSU No. 7 – 360-acres**

*Zelda 25-7HZ well (Niobrara Formation)*

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

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

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

Section 25: E $\frac{1}{2}$ W $\frac{1}{2}$ , W $\frac{1}{2}$ E $\frac{1}{2}$

Section 36: E $\frac{1}{2}$ W $\frac{1}{2}$ , W $\frac{1}{2}$ E $\frac{1}{2}$

**WSU Nos. 8 thru 11 - 720-acres**

*Zelda 25-8HZ well (Codell Formation)*

*Zelda 25-9HZ well (Niobrara Formation)*

*Zelda 25-10HZ well (Niobrara Formation)*

*Zelda 25-11HZ 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 720-acre horizontal wellbore spacing unit established for the Zelda 25-1HZ well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. WSU No. 2 - A 360-acre horizontal wellbore spacing unit established for the Zelda 25-2HZ well, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

C. WSU No. 3 - A 360-acre horizontal wellbore spacing unit established for the Zelda 25-3HZ well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

D. WSU No. 4 - A 720-acre horizontal wellbore spacing unit established for the Zelda 25-4HZ well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

E. WSU No. 5 - A 720-acre horizontal wellbore spacing unit established for the Zelda 25-5HZ well, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

F. WSU No. 6 - A 720-acre horizontal wellbore spacing unit established for the Zelda 25-6HZ well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

G. WSU No. 7 - A 360-acre horizontal wellbore spacing unit established for the Zelda 25-7HZ well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

H. WSU No. 8 - A 720-acre horizontal wellbore spacing unit established for the Zelda 25-8HZ well, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

I. WSU No. 9 - A 720-acre horizontal wellbore spacing unit established for the Zelda 25-9HZ well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

J. WSU No. 10 - A 720-acre horizontal wellbore spacing unit established for the Zelda 25-10HZ well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

K. WSU No. 11 - A 720-acre horizontal wellbore spacing unit established for the Zelda 25-11HZ well, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

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

6. Acting pursuant to Commission Rule 530 and/or the provisions of § 34-60-116 (6) and (7), C.R.S., Applicant seeks an order pooling all interests, including, but not limited to, any non-consenting interests, in the Application Lands for the development and operation of the Niobrara and Codell Formations.

7. 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 made subject to the statutory cost recovery provisions of § 34-60-116(6) & (7), C.R.S.

8. Applicant requests that the pooling order be made effective as of the date of the 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, whichever is earlier.

9. 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, including any non-consenting interests therein.

10. 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., and that at least thirty-five (35) days prior to the hearing on this matter each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Subject Wells, and will be provided with the information required by Rule 530 as applicable.

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 each wellbore spacing unit comprising the Application Lands for the development and operation of the Niobrara and Codell Formations, with such order effective as of the date of the 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, 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 any other findings and orders as the Commission may deem proper or advisable in this matter.

Dated March 1, 2018.

Respectfully submitted:

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

By: 

Greg Nibert, Jr.

John Jacus

Davis Graham & Stubbs LLP

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Applicant's Address:

Kerr-McGee Oil & Gas Onshore LP

ATTN: Will Vaughan

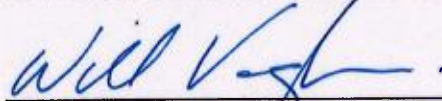
1099 18<sup>th</sup> Street, Suite 1800

Denver, CO 80202

VERIFICATION

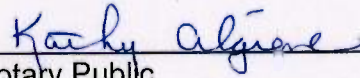
STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

Will Vaughan, 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.

  
\_\_\_\_\_  
Will Vaughan, Landman  
Kerr-McGee Oil & Gas Onshore LP

Subscribed and sworn to before me this 1<sup>st</sup> day of March, 2018.

Witness my hand and official seal.

  
\_\_\_\_\_  
Notary Public

