

**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 THREE APPROXIMATE 640-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS FOR CERTAIN PORTIONS OF SECTIONS 2 AND 11, TOWNSHIP 1 NORTH, RANGE 68 WEST, 6TH P.M. AND CERTAIN PORTIONS OF SECTION 35, TOWNSHIP 2 NORTH, RANGE 68 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL AND NIOBRARA 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 three approximate 640-acre horizontal wellbore spacing units established for certain portions of Sections 2 and 11, Township 1 North, Range 68 West, 6th P.M. and certain portions of Section 35, Township 2 North, Range 68 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 duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant owns a leasehold interest in the below-listed lands:

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

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

Section 11: NE $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$

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

Section 35: SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") Nos. 1 - 3

640 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 three approximate 640-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 Codell and Niobrara 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. Cochran 2C-2HZ Well (API No. 05-123-44868) - Codell Formation - WSU #1;
- b. Cochran 28N1-2HZ Well (API No. 05-123-44867) - Niobrara Formation - WSU #2
- c. Cochran 28N2-2HZ Well (API No. 05-123-44870) - Niobrara Formation - WSU #3.

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 - 3 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 - 3.

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 - 3 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 - 3.

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 1st day of March, 2018.

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

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1099 18th Street, Suite 1640
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 1st day of March, 2018, by Tom Yaley, Landman for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.

My commission expires: 9/21/2019

KATHY ALGIENE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20034013016
MY COMMISSION EXPIRES 09/21/2019

Kathy Algine
Notary Public

Exhibit A

Reference Map for Pooling Application

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

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

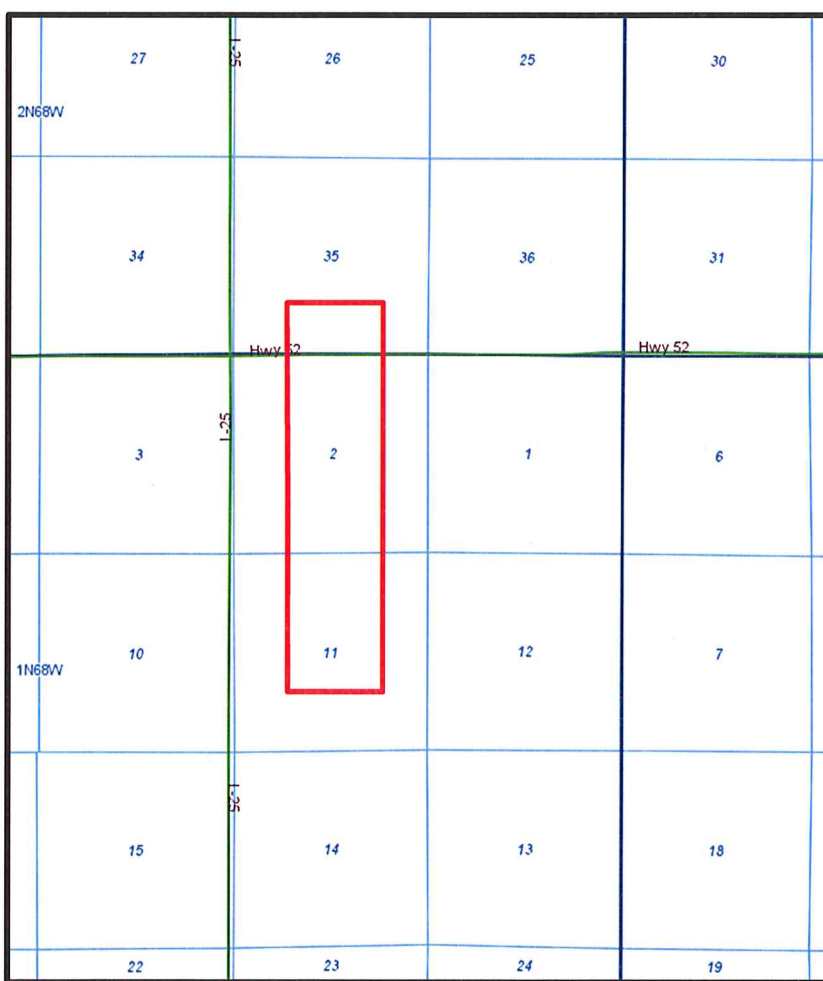
Section 11: NE $\frac{1}{4}$ SW $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$

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

Section 35: SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") Nos. 1 - 3

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



 = Application Lands

EXHIBIT A

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 Exhibit A.

ANADARKO E & P ONSHORE LLC
1099 18TH ST, SUITE 1800
DENVER, CO 80202

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CHICO, CA 95973

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BOULDER CO 80301

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LONGMONT, CO 80504

WOLFHAWK ENERGY HOLDINGS, LLC
1580 LINCOLN STREET, SUITE 1110
DENVER, CO 80203

THE HEIRS AND DEVISEES OF RICHARD
THOMAS COSSLETT
2040 GEORGE STREET
BILLINGS, MT 59102

C & M RESOURCES, LLC
16 SUNSET CIRCLE
LONGMONT, CO 80501

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CASCADE MT 59421

SUSAN JOHNS TROUDT
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LONGMONT, CO 80501

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16008 N.E 26TH STREET
BELLEVUE, WA 98008

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DENVER, CO 80227

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HALEY LAND COMPANY, LLC
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LONGMONT, CO 80504

VIOLA LARA
10160 SHADY DAWN LANE
JAMESTOWN, CA 95327

VIVIAN NELSON, TRUSTEE OF THE VIVIAN
NELSON TRUST DTD 07-16-1993
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