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 720-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS FOR CERTAIN PORTIONS OF SECTIONS 35 AND 36, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M. AND SECTION 31, TOWNSHIP 2 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 three approximate 720-acre horizontal wellbore spacing units established for certain portions of Sections 35 and 36, Township 2 North, Range 67 West, 6th P.M., and Section 31, Township 2 North, Range 66 West, 6th 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 owns a leasehold interest in the below-listed lands:

Township 2 North, Range 67 West, 6th P.M. Section 35: E¹/₂NW¹/₄, NE¹/₄ Section 36: N¹/₂

Township 2 North, Range 66 West, 6th P.M. Section 31: NW¹/₄

Wellbore Spacing Unit ("WSU") Nos. 1-3 720 acres, more or less, Weld County, Colorado.

These lands are hereinafter collectively referred to as the "Application Lands" and depicted in <u>Exhibit A</u>, 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 720-acre horizontal wellbore spacing units comprised of certain portions of the Application Lands, for the below-described well, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. 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 units within the 30-day response period:

a. White 35-4HZ Well (API No. 05-123-46949) - Niobrara Formation - WSU #1.

b. White 35-5HZ Well (API No. 05-123-46946) - Codell Formation - WSU #2.

c. White 35-6HZ Well (API No. 05-123-46947) - 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 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. 1-3.

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 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. 1-3.

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 19th day of July, 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

<u>Applicant's Address:</u> Kerr-McGee Oil & Gas Onshore LP ATTN: Tom Yaley 1099 18th Street, Suite 1720 Denver, Colorado 80202

VERIFICATION

)) ss.

STATE OF COLORADO

CITY & COUNTY OF DENVER

MY COMMISSION EXPIRES 08/08/2019

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

Jom Yally Tom Yalev Subscribed and sworn to before me this _____ day of _____ by Tom Yaley, Landman for Kerr-McGee Oil & Gas Onshore LP. 2018, Witness my hand and official seal. My commission expires: 8 2019 **ANITA MUNKRES NOTARY PUBLIC** STATE OF COLORADO Notary Public NOTARY ID 20034025710

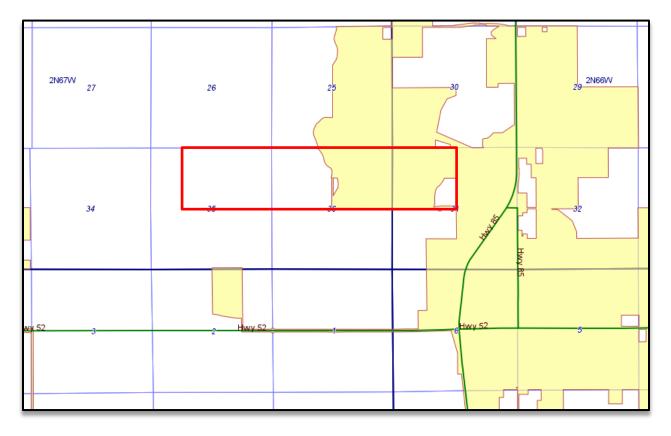
<u>Exhibit A</u>

Reference Map for Pooling Application

Township 2 North, Range 67 West, 6th P.M. Section 35: E¹/₂NW¹/₄, NE¹/₄ Section 36: N¹/₂

Township 2 North, Range 66 West, 6th P.M. Section 31: NW¹/₄

Wellbore Spacing Unit ("WSU") Nos. 1-3 720 acres, more or less, Weld County, Colorado.





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CAUSE NO. 407

DOCKET NO. 180900702

TYPE: POOLING

AFFIDAVIT OF MAILING

STATE OF COLORADO

) ss.

)

CITY AND COUNTY OF DENVER

Jo Cooks, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Kerr-McGee Oil & Gas Onshore LP, and on or before the 26th day of July, 2018, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A attached hereto.

Cooks

Subscribed and sworn to before me this 26th day of July, 2018

Witness my hand and official seal.

MARY GRACE T. GO-HOVELAND Notary Public State of Colorado 20114013519 My Commission Expires March 3, 2019

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.

KERR-MCGEE OIL & GAS ONSHORE, LP 1099 18TH STREET, SUITE 1800 DENVER, CO 80202

SAM S. FUNAKOSHI LIVING TRUST 6757 WELD COUNTY ROAD 23 1/2 FORT LUPTON, CO 80621

FRANCES R. FUNAKOSHI LIVING TRUST 6757 WELD COUNTY ROAD 23 1/2 FORT LUPTON, CO 80621

US MINERAL RESOURCES II, LLC C/O US MINERAL RESOURCES, LLC 11757 WEST KEN CARYL AVE., SUITE F #506 LITTLETON, CO 80127

LINDA KAY KIYOTA JELDEN 315 S REYNOLDS AVE HOLYOKE, CO 80734

THE NANCY L. KIYOTA LIVING TRUST U/A APRIL 20, 2015 485 SOUTH VINE ST DENVER, CO 80209

DONNA ROSE KIYOTA 1 FOX MEADOW DR BOW, NH 03304

THE PARKER REVOCABLE TRUST UNDER AMENDED AND RESTATED AGREEMENT DATED AUGSUT 17, 2004 1035 37TH AVE CT GREELEY, CO 80634

PARADIZE, LLC 921 INDIAN PEAK RD GOLDEN, CO 80403

ROBIN A. PARKER 10 CEDAR ST NORWOOD, MA 02062 ATOMIC CAPITAL MINERALS, LLC 2777 ALLEN PARKWAY, SUITE 1185 HOUSTON, TX 77019

JOSEPHINE C. RANGEL 204 W HERITAGE DR RAYMORE, MO 64083

ANNETTE B. MONTOYA 101 ELITE HEIGHTS HURRICANE, WV 25526

DOROTHY FERNANDEZ 17200 W BELL RD, APT 578 SURPRISE, AZ 85374

PRINCIPLE ENERGY, LLC PO BOX 2228 HOUSTON, TX 77252

TIMOTHY J. MAHONEY, II 213 BENDEL RD, SUITE 116 LAFAYETTE, LA 70503

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

KATY S. KOSHIO 725 S BROADWAY FORT LUPTON, CO 80621

REGAL ROYALTY, LLC PO BOX 3126 HOUSTON, TX 77253

MITSUYE OKAZKI 534 GENEVA AVE CLAREMONT, CA 91711

RICHARD HEIN 6578 WCR 23 FORT LUPTON, CO 80621

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CAUSE NO. 407

DOCKET NO. 180900702

TYPE: POOLING

SUPPLEMENTAL AFFIDAVIT OF MAILING

STATE OF COLORADO

CITY AND COUNTY OF DENVER

Jo Cooks, of lawful age, and being first duly sworn upon her oath, states and declares:

) SS.

)

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for McGee Oil & Gas Onshore LP, and on 31st day of July, 2018, caused a copy of the abovecaptioned Application to be deposited in the United States Mail, postage prepaid, addressed to following:

Notary Public

Cooks

Subscribed and sworn to before me this 31st day of July, 2018

Witness my hand and official seal.

MARY GRACE T. GO-HOVELAND Notary Public State of Colorado 20114013519 My Commission Expires March 3, 2019

EXHIBIT A

INTERESTED PARTIES

THE HEIRS AND DEVISEES OF THE ESTATE OF NORA D. DAVIS 4242 WOODS EDGE ST. SAGINAW, MI 48603-4242

JUSTIN T. GUNESCH 1333 OLD SPANISH TRAIL APT 3168 HOUSTON, TX 77054-1866

KEVIN J. GUNESCH 7340 S JACKSON GAP WAY AURORA, CO 80016-2449

PETER A. GUNESCH TRUST U/A 9-22-75, RUTH H. GUNESCH TRUSTEE 330 SHADYCROFT DRIVE LITTLETON, CO 80120

KENNETH S. HENRY, JR. 406 W. MANTUA AVE. WENONAH, NJ 08090

MELANIE K. HUMMEL 6409 WOODS EDGE DR ARLINGTON, TX 76016-5150

KIRK W. JOHNSTON 21827 COUNTY ROAD 43 LASALLE, CO 80645-8810

THE HEIRS AND DEVISEES OF THE ESTATE OF EDGAR J. KINCKINER 450 E HIGH STREET, APT 202 POTTSTOWN, PA 19464-6600

DONNA C. SUMMERS 259 CEDAR BROOK RD SICKLERVILLE, NJ 08081-9378

ESTATE OF ANNIE NEIMAN YOCUM ATTN: CANDICE MCCONNELL, PARALEGAL, 17 WEST MINER ST., PO BOX 660 WEST CHESTER, PA 19381 ERIC M. GUNESCH 9924 SILVER MAPLE WAY HIGHLANDS RANCH, CO 80129-5419

JEREMY O. GUNESCH 15037 E LOUISIANA DR APT B AURORA, CO 80012-7749

THE HEIRS AND DEVISEES OF THE ESTATE OF MICHAEL L. GUNESCH PO BOX 246 FORT LUPTON, CO 80621

WILLIAM E. GUNESCH RESIDUARY TRUST, FRANK A. MIHODA, TRUSTEE 5101 SOUTH ESTES LITTLETON, CO 80123

JACK RICHARD HENRY 9100 LAUREN LANE JACKSON, CA 95642-9207

JOANN L. JOHNSTON AKA JOANN L. CLUGG 916 LAUREL LANE MONTROSE, CO 81401-5653

MARIANN R. JOHNSTON 179 STATE ROAD 399 ESPANOLA, NM 87532-3169

THE HEIRS AND DEVISEES OF THE ESTATE OF KATHRYN NEIMAN LACHMAN PO BOX 498 FREDERICK, PA 19435-0498

THOMAS C. TROUTMAN AND WILLIAM E. TROUTMAN 2469 E HIGH ST. POTTSTOWN, PA 19464-6600

THE HEIRS AND DEVISEES OF THE ESTATE OF CHARLES F. YOCUM, JR. 20 LAKEVIEW TERRACE DRIVE ALTOONA, FL 37202-9617