

**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 800-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNIT FOR PORTIONS OF SECTIONS 19, 20, AND 21, TOWNSHIP 4 NORTH, RANGE 67 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 800-acre designated horizontal wellbore spacing unit established for portions of Sections 19, 20, and 21, Township 4 North, Range 67 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 owns a leasehold interest in the below-listed lands:

Township 4 North, Range 67 West, 6th P.M.

Section 19: S $\frac{1}{2}$ NE $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 20: S $\frac{1}{2}$ N $\frac{1}{2}$; N $\frac{1}{2}$ S $\frac{1}{2}$

Section 21: S $\frac{1}{2}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") No. 1

800 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 unit 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 800-acre designated horizontal wellbore spacing unit comprised 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 designated horizontal wellbore spacing unit within the 30-day response period:

a. Sharon 21-8HZ Well (API No. 05-123-43764) - Codell Formation - WSU No. 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 29th day of August, 2018

Respectfully submitted,

KERR-MCGEE OIL & GAS ONSHORE LP

By:


James Parrot

Jillian Fulcher

Jobediah Rittenhouse

Beatty & Wozniak, P.C.

Attorneys for Applicant

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Denver, Colorado 80202

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jrittenhouse@bwenergylaw.com

Applicant's Address:

Kerr-McGee Oil & Gas Onshore LP

ATTN: Rocky Kimball

1099 18th Street, Suite 1800


Denver, Colorado 80202

VERIFICATION

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

Rocky Kimball, 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

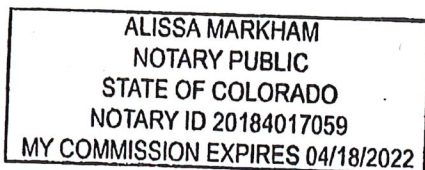



Rocky Kimball

Subscribed and sworn to before me this 29th day of AUGUST, 2018,
by Rocky Kimball, Landman for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.

My commission expires: 04/18/2022





Notary Public

Exhibit A

Reference Map for Pooling Application

Township 4 North, Range 67 West, 6th P.M.

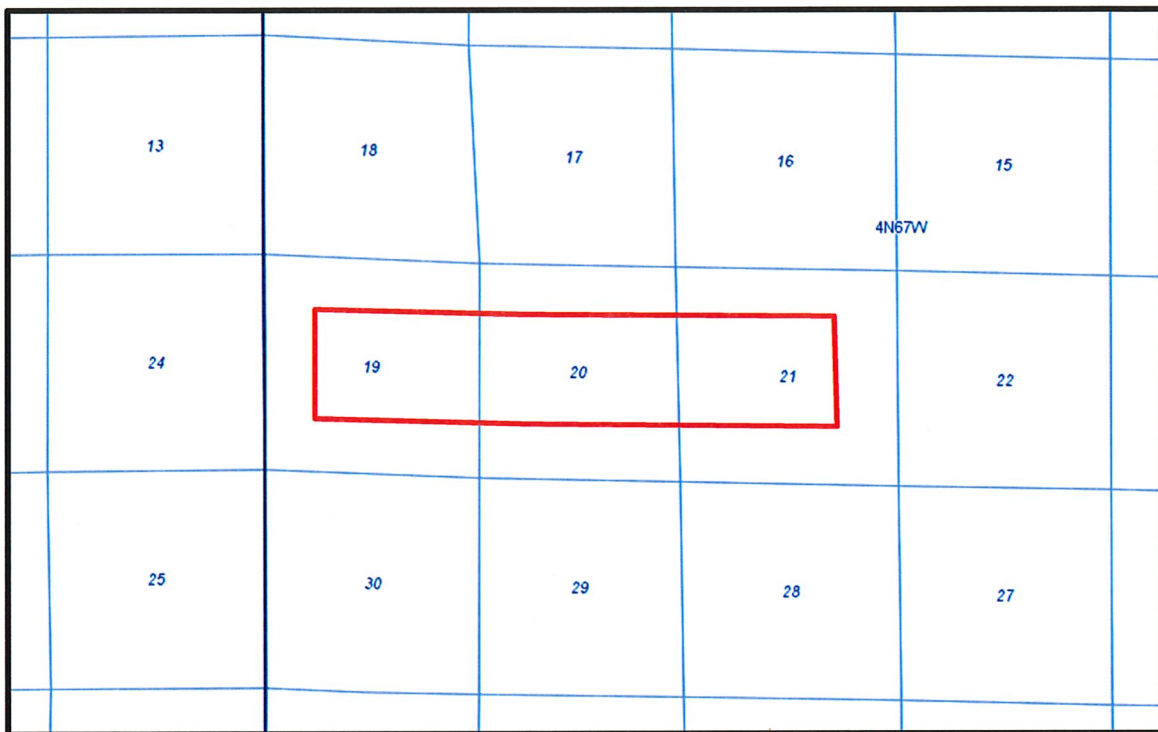
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Wellbore Spacing Unit ("WSU") No. 1

800 acres, more or less, Weld County, Colorado



 = Application Lands

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TYPE: POOLING

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

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Kerr-McGee Oil & Gas Onshore LP, and on or before the 6th day of September, 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.

Subscribed and sworn to before me this 7th day of September, 2018.

Notary Public

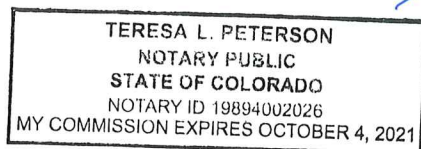


EXHIBIT A

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.

JAGI CAPITAL GROUP, INC.
3609 WILLOMET CT
BEDFORD TX 76021

BINDER FAMILY FARMS, LLC
9783 COUNTY ROAD 46.5
MILLIKEN CO 80543

DIANNE KAY BROWN REVOCABLE
TRUST
615 LIPPITT AVE
JOHNSTOWN CO 80534

JUDITH JANE SITZMAN
1700 VIEWPOINT RD
LAKEWOOD CO 80215

JANE FRANCES KING TRUST
3033 EAST FIRST AVENUEW
DENVER CO 80206

R. BRUCE FICKEL, II
PO BOX S
BERTHOUD CO 80513

MICHAEL H. MCCARTY, TRUSTEE OF THE
MICHAEL H. MCCARTY REVOCABLE
TRUST DATED NOVEMBER 26, 2001
PO BOX 1418
CODY WY 82414

GRIZZLY PETROLEUM COMPANY, LLC
1001 17TH STREET, SUITE 2000
DENVER CO 80202

WES-TEX DRILLING COMPANY
400 PINE STREET, SUITE 700
ABILENE TX 79601

ANADARKO E & P ONSHORE LLC
PO BOX 173779
DENVER CO 80217

CHANDLER FARMS JOHNSTOWN L.L.C.
7835 EAGLE RANCH ROAD
FORT COLLINS, CO 80528

DEBRA ANNETTE MCCOY
1700 VIEWPOINT RD
LAKEWOOD CO 80215

FRANCES R. MCCARTY
801 PANORAMA CIRCLE
LONGMONT CO 80501

PATRICK W. MCCARTY
3000 CR 301
PARACHUTE CO 81635

MICHAEL H. MCCARTY, IN A LIFE ESTATE
REMAINDERMEN 1/2 MARY HELEN
MCCARTY 1/2 MARK H. MCCARTY
PO BOX 1418
CODY WY 82414

KERR-MCGEE OIL & GAS ONSHORE LP
PO BOX 173779
DENVER CO 80217

SRC ENERGY, INC.
1675 BROADWAY, SUITE 2600
DENVER CO 80202

INCLINE ENERGY, LLC
5019 N CENTRAL EXPRESSWAY
DALLAS TX 75205