

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
KERR-MCGEE OIL & GAS ONSHORE LP FOR)
AN ORDER ESTABLISHING AN APPROXIMATE)
1,276.6-ACRE DRILLING AND SPACING UNIT)
AND APPROVING UP TO FOURTEEN)
HORIZONTAL WELLS WITHIN THE UNIT FOR)
THE PRODUCTION OF OIL, GAS, AND)
ASSOCIATED HYDROCARBONS FROM THE)
NIOBRARA AND CODELL FORMATIONS FOR)
CERTAIN LANDS IN SECTIONS 22, 23, AND)
24, TOWNSHIP 5 NORTH, RANGE 68 WEST,)
6TH P.M., AND SECTION 19, TOWNSHIP 5)
NORTH, RANGE 67 WEST, 6TH P.M.,)
WATTENBERG FIELD, LARIMER AND WELD)
COUNTIES, COLORADO)

Cause No. 407

Docket No. 190400331

Type: SPACING

APPLICATION

Kerr-McGee Oil & Gas Onshore LP, Operator No. 47120 ("Applicant" or "Kerr-McGee"), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate 1,276.6-acre drilling and spacing unit for the S½ of Sections 22, 23, and 24, Township 5 North, Range 68 West, 6th P.M., and the S½ of Section 19, Township 5 North, Range 67 West, 6th P.M., and approving up to fourteen horizontal wells within the unit, with well location rules for the drilling of wells and producing of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. In support of its Application, Applicant states as follows:

1. Applicant is a limited partnership duly authorized to conduct business in Colorado, and is a registered operator with the Commission.
2. Applicant owns oil and gas leasehold interests, and is an Owner with the right to drill, in the following lands ("Application Lands"):

Township 5 North, Range 68 West, 6th P.M.

Section 22: S½

Section 23: S½

Section 24: S½

Township 5 North, Range 67 West, 6th P.M.

Section 19: S½

A reference map of the Application Lands is attached as **Exhibit A** hereto.

3. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended on August 8, 2011 to, among other things, address the drilling of horizontal wells. Rule 318A requires that a horizontal wellbore spacing unit must include any governmental quarter-quarter section that is located less than 460' from the completed interval of the wellbore lateral, and allows for overlapping wellbore units. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

4. On February 19, 1992 (amended August 20, 1993), the Commission entered Order No. 407-87 which, among other things, established 80-acre drilling and spacing units for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formations, the Codell Formation, and the Niobrara Formation, underlying certain lands including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

5. On November 16, 1992, the Commission entered Order No. 407-125, which established 320-acre drilling and spacing units for vertical wells drilled and completed or recompleted in the Dakota, "J" Sand, Codell, Niobrara, Sussex and Shannon Formations, where the production is commingled or dually completed with the Dakota and "J" Sand Formations underlying a Codell-Niobrara Spaced Area.

6. There are numerous vertical and/or directional wells producing from the Niobrara and Codell Formations within the Application Lands that are subject to vertical spacing and pooling orders. Applicant requests that any such vertical wells continue to be governed by Order No. 407-87, 407-125, and/or all other applicable Commission Rules and Orders, and that production continue to be distributed in accordance therewith.

7. To promote efficient drainage of the Niobrara and Codell Formations, and to assist in preventing waste, Applicant requests that the Commission establish an approximate 1,276.6-acre drilling and spacing unit for the Application Lands described below, and approve up to fourteen (14) horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations:

Township 5 North, Range 68 West, 6th P.M.

Section 22: S½

Section 23: S½

Section 24: S½

Township 5 North, Range 67 West, 6th P.M.

Section 19: S½

8. Applicant requests authority to drill up to a total of up to fourteen horizontal wells within the unit to the benches of the Niobrara Formation, and to the Codell Formation; Applicant's plan for development of the unit includes seven (7) approximate 2-mile wells drilled in an west-east orientation, and seven (7) approximate 2-mile wells drilled in an east-west orientation. Applicant

requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Niobrara and Codell Formations, which prevents waste, which protects correlative rights, and which assures the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Niobrara and Codell Formations. Applicant's intended wellbore orientation is attached hereto as **Exhibit B.**

9. Applicant requests that the treated interval of the permitted wells within the unit be located no closer than 150 feet from the northern and southern boundary, 460 feet from the eastern and western unit boundary, and no closer than 150 feet from the treated interval of any other wellbore producing from the same common source of supply within the unit, unless an exception is granted by the Director.

10. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by fourteen (14) horizontal wells producing from the respective benches of the Niobrara and Codell Formations. Applicant maintains that the proposed well setbacks are such that wells drilled within the unit will have no adverse effect on the correlative rights of adjacent owners.

11. Applicant requests that the wells be drilled and operated from no more than one (1) surface location within the unit or at legal locations on adjacent lands, unless an exception is granted by the Director.

12. The names and addresses of the interested parties, pursuant to Rule 507.b.(1), Rule 507.c., and Rule 507.d., will be submitted to the Commission in accordance with Rule 507.a.(2). Applicant certifies that copies of this Application will be served on all locatable interested parties at least sixty (60) days prior to the date of the hearing for this Application, as required by Rule 507.a.(1).

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that, upon such hearing, this Commission enter its order consistent with Applicant's proposals as set forth above.

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Dated this 31 day of January, 2019.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

Joseph C. Pierzchala

Geoffrey W. Storm

Welborn Sullivan Meck & Tooley, P.C.

Attorneys for Applicant

1125 17th Street, Suite 2200

Denver, CO 80202

303.830.2500

jpierzchala@wsmtlaw.com

gstorm@wsmtlaw.com

Applicant's Address:

Kerr-McGee Oil & Gas Onshore LP

ATTN: Thomas Schorr

1099 18th St., Suite 1800

Denver, CO 80202

Phone: 720.929.6000

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Thomas Schorr, Landman for Kerr-McGee Oil & Gas Onshore LP, upon oath deposes and says that he has read the foregoing Amended Application and that the statements contained therein are true to the best of his knowledge, information and belief.

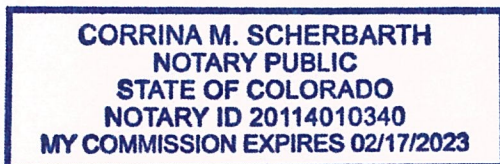
KERR-MCGEE OIL & GAS ONSHORE LP



Thomas Schorr

Subscribed and sworn to before me this 31st day of January, 2019, by Thomas Schorr, Landman for Kerr-McGee Oil & Gas Onshore LP.

Witness my hand and official seal.





Notary Public
My Commission Expires: 2/17/2023

PARTIES ENTITLED TO NOTICE UNDER RULE 507.c.

Colorado Department of Public Health and Environment

Attn: Oil and Gas Liason
4300 Cherry Creek Drive South
Denver, CO 80246-1500

Colorado Parks and Wildlife

Brandon Marette
Northeast Region Office
6060 Broadway
Denver, CO 80216

Larimer County

Matt Lafferty
Larimer County
200 W. Oak Street, Suite 3100
Suite 3100
Fort Collins CO 80521

Weld County

Jason Maxey
Weld County
1555 North 17th Avenue
Greeley, CO 80631

Town of Johnstown

Roy Lauricello
Town of Johnstown
PO Box 609
Johnstown, CO 80534

EXHIBIT A
INTERESTED PARTIES

5073 Ridgewood Dr. Trust
Abby Beth Strielkauskas
Alejandro Rodriguez and Jennifer Rodriguez
Anadarko E&P Onshore LLC
Anadarko Land Corp.
Bernhard Richard Magalski and Judith Ann
Magalski, as joint tenants
Board of County Commissioners, Larimer
County
Brian J. Hailey and Linda R. Hailey
Brittanie R. Champeau
Bryan M. Fister and Robert J. Fister
Cathy A. Schnek and William J. Schenk
Charlotte M. Yelek
Christopher Dalton
City of Loveland, Colorado
Clayton Properties Group II Inc.
Dale Yerton
Dan Colavolpe and Jill Colavolpe
David J. Yardley and Catherine N. Yardley
David Lazer and Jocelyn Lazer
Del A. Lukasiewicz
Department of Transportation, State of
Colorado
Devin L. Phillips and Trisha L. Phillips
Diane L. Glessner
Extraction Oil & Gas LLC
Garrett Mortimer
Gary F. Wolf and Jane L. Werth
Gloria F. Tempesta
Heather Patterson-McCulloch and William
McCulloch
Heirs and Devisees of Jo Anne Pulliam
Helen Joyce Nelson
Hilery Bremenkamp
Ian D. Rousom, Kristin L. Rousom and
Denise Elizabeth Rousom
James B. Childs
Jamie P. Croteau and Jessica A. Croteau
Jerome A. Burke, II
Jo Anne Wilkinson
John J. Trau
Joshua D. Reeser and Amanda J. Zerngast-
Reeser
Joshua Shuford and Christina Gailitis

Justin Drew Feather and Katherine Holcolm
Spahr
Kaci Beisly and Jason Beisly
Kendra J. Politowski and Matthew L.
Politowski
Kenneth C. Burgener and Bethany M.
Burgener
Kenneth H. Huffman
Kennith Leland Main II and Heather Viola
Main
Kerr-McGee Oil & Gas Onshore, LP
Kevin Marshall Amos
Lance C. Morgan
Lawrence G. Reisinger and Valerie J.
Reisinger
Lindsey C. Heustis and Brandyn W. Heustis
Magpie Operating, Inc.
Marsha Buckley
Mary Alicia Rogers, Mitchell J. Rogers,
Claudie E. Gressley and Imelda A. Gressley
Matthew Coulson and Kelly Coulson
Matthew R. Gustafson
Matthew F. Preston and Veronica L. Preston
McGee Enterprises, LLC
Michael J. Deimler
Milledge Clark Willis III
Mountaintop Minerals, LLC
Nancy Bakenhus
Penny Powers Thomas
PHH 2000 Inc.
Public Service Company of Colorado
Randall A. Thompson and Pamela A.
Thompson
Raymond S. Urban and Sandra Urban
Richard Connell
Rite-A-Way Industires LLC
Ryan Walmsley and Natalie Walmsley
Sandra L. Payne
Skyler T. Campbell and Jennifer A. Campbell
Spearman Land and Development Co LLC
State of Colorado Division of Wildlife
Stephen Bryan Hill and Dolores Anne Hill
Steven W. Leschinsky and Edelwina C.
Leschinsky
Suzanne E. Geary and James P. Geary

The Art Leisy Trust FBO Richard L. Leisy
Family c/o Gary A. Leisy, Trustee
The Estate of Emma Koenig, deceased
The Richard L. Leisy Family Trust c/o Gary A.
Leisy, Trustee

Thompson Crossing Metro District
Tracy L. Randall and Lydia J. Randall
Ward Petroleum Corporation
Wiens Enterprises LLC
Zack Family Trust

Exhibit B - Application Lands

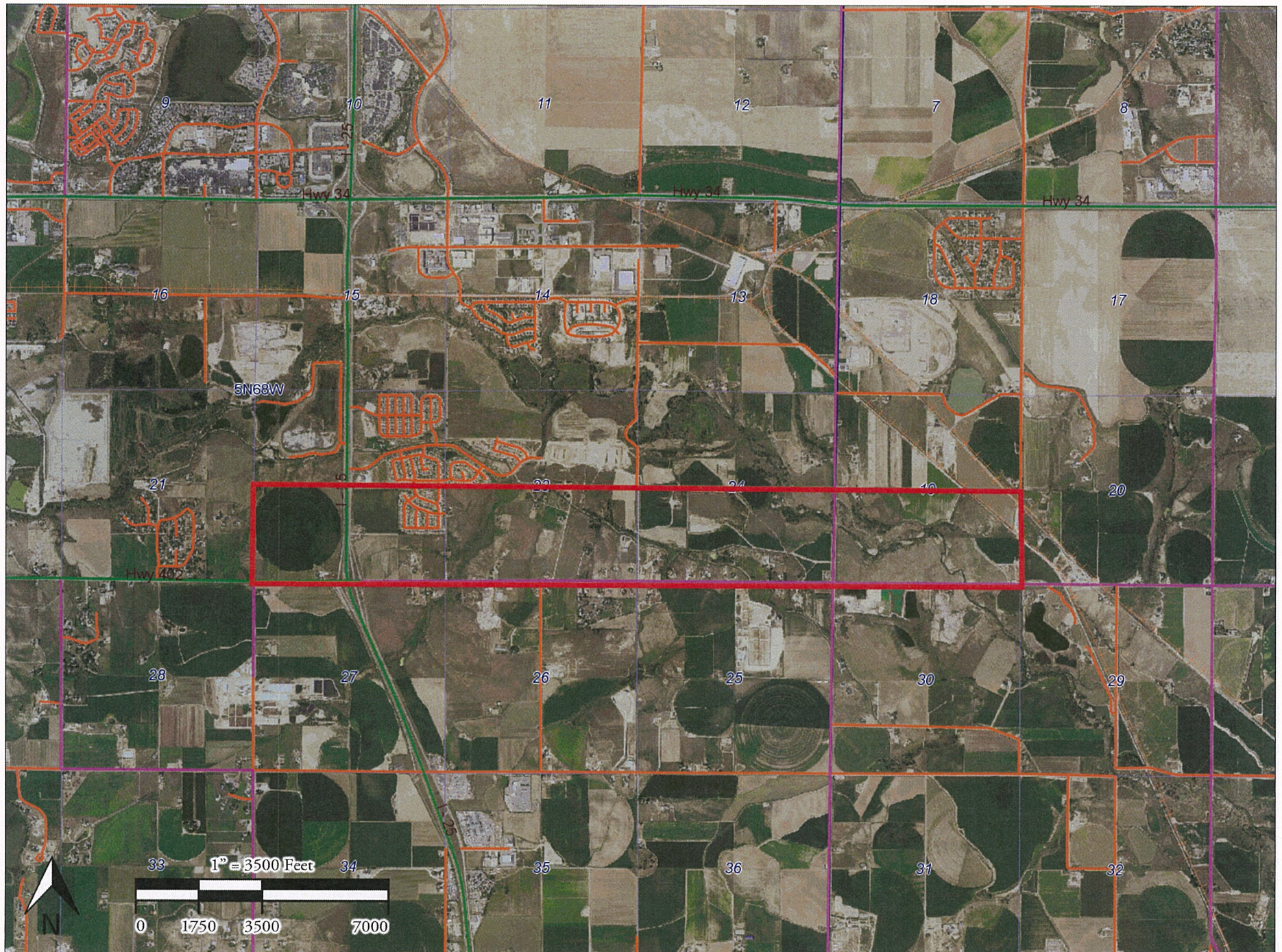
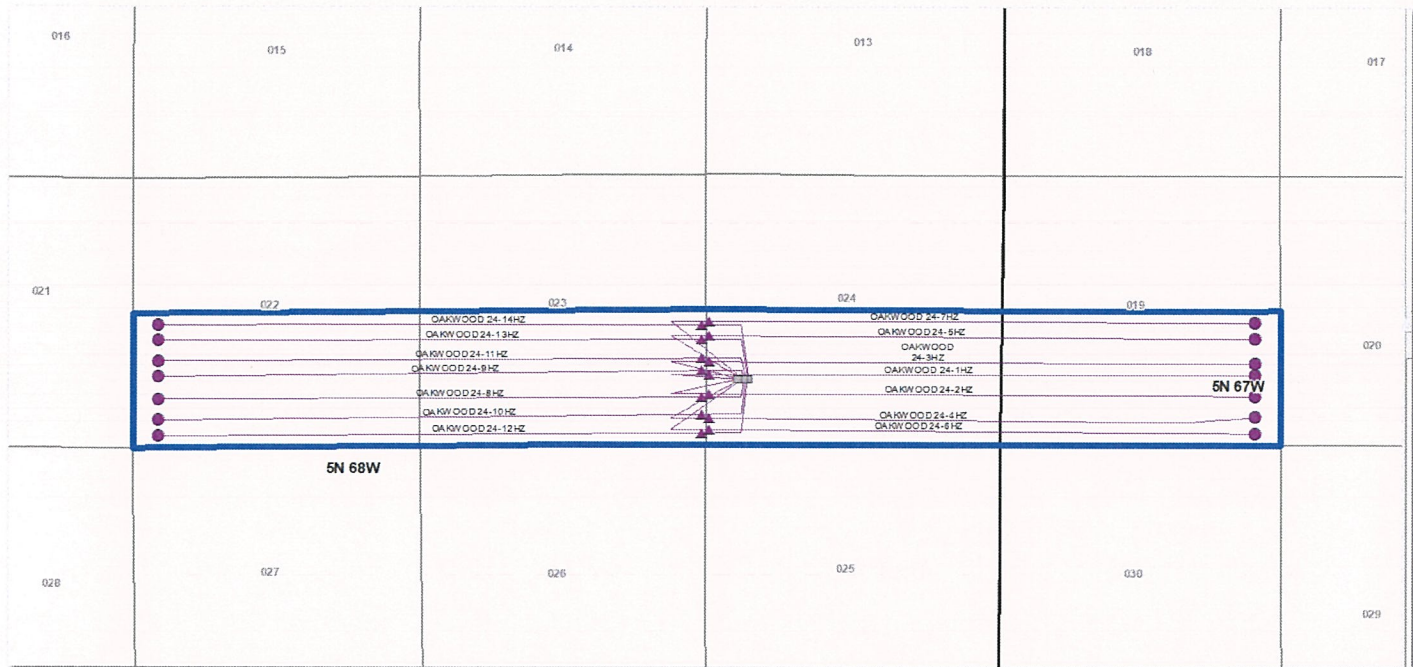


EXHIBIT B



BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
KERR-MCGEE OIL & GAS ONSHORE LP)
FOR AN ORDER ESTABLISHING AN)
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WITHIN THE UNIT FOR THE PRODUCTION)
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HYDROCARBONS FROM THE NIOBRARA)
AND CODELL FORMATIONS FOR CERTAIN)
LANDS IN SECTIONS 22, 23, AND 24,)
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6TH P.M., AND SECTION 19, TOWNSHIP 5)
NORTH, RANGE 67 WEST, 6TH P.M.,)
WATTENBERG FIELD, LARIMER AND WELD)
COUNTIES, COLORADO)

Cause No. 407

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CERTIFICATE OF SERVICE

STATE OF COLORADO

§
§
§

CITY AND COUNTY OF DENVER

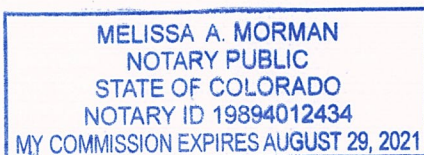
I, Geoffrey W. Storm, of lawful age, and being first duly sworn upon my oath, state and declare:

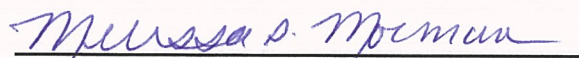
That I am the attorney for Kerr-McGee Oil & Gas Onshore LP and that on or before the 26th day of February, 2019, I caused a true and correct copy of the Application and Notice of Hearing to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application, as required by Commission Rule 507.a.(1), 507.b.(2), and §34-60-108(4), C.R.S.


Geoffrey W. Storm

Subscribed and sworn to before me March 20, 2019.

Witness my hand and official seal.




Notary Public
My commission expires: 8/29/2021