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

IN THE MATTER OF THE APPLICATION OF PDC ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 480-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNIT IN SECTION 31 AND 32, TOWNSHIP 4 NORTH, RANGE 66 WEST, 6TH P.M., **NIOBRARA** FORMATION, THE COUNTY, WATTENBERG FIELD, WELD COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

PDC Energy, Inc. (Operator No. 69175) ("PDC" 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 an approximate 480-acre horizontal wellbore spacing unit designated for portions of Sections 31 and 32, Township 4 North, Range 66 West, 6th P.M., for development and operation of the Niobrara Formation.

In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a corporation 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 4 North, Range 66 West, 6th P.M.

Section 31: N½SE¼, S½NE¼

Section 32: N½S½, S½N½

Weld County, Colorado.

These lands are collectively referred to as the "Application Lands."

- 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. On February 19, 1992, the Commission entered Order No. 407-87 (amended 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 Formation 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 an approximate 480-acre horizontal wellbore spacing unit comprising the Application Lands for the Tarin Federal 32W-234 well (API No. 05-123-40095) ("Subject Well"), for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant notified the appropriate parties under Rule 318A.
- 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 approximate 480-acre horizontal wellbore spacing unit designated for the Application Lands for the development and operation of the Niobrara Formation.
- 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 Well 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 entered as a result of this Application be made effective as of the date of this 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 Well, whichever is earlier.
- 9. 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 Well, and will be provided with the information required by Rule 530 as applicable. The list of such interested parties is attached hereto as Exhibit A.
- 10. In order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit should be pooled for the orderly development of the Niobrara Formation, including any non-consenting interests therein.

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 the approximate 480-acre designated horizontal wellbore spacing unit established for the Application Lands for the development and operation of the Niobrara Formation, with the pooling order made effective as 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, 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 Well 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: November 25 2015.

Respectfully submitted:

PDC ENERGY, INC.

By

David Neslin

Gregory Nibert, Jr.

Davis Graham & Stubbs LLP

1550 Seventeenth Street, Suite 500

Denver, Colorado 80202

(303) 892-9400

Applicant's Address:

PDC Energy, Inc.

ATTN: Josh Wagner

1775 Sherman Street, Suite 3000

Denver, CO 80203

VERIFICATION

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

Josh Wagner, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Regional Landman for PDC Energy, Inc., and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Josh Wagner, Sr. Regional Landman PDC Energy, Inc.

Subscribed and sworn to before me this 24th day of Quentus, 2015.

Witness my hand and official seal.

[SEAL]

My commission expires: 5/16/2017

NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134031387
My Commission Expires May 16, 2017

Notary Public

Exhibit A Interested Parties

PDC Energy, Inc. 1775 Sherman Street, Suite 3000 Denver, Colorado 80203

Kerr-McGee Oil & Gas Onshore LP 1099 18th Street, Suite 1800 Denver, CO 80202

Noble Energy, Inc. 1625 Broadway, Suite 2200 Denver, CO 80202

Monago Operating, Inc. 12 Dos Rios Greeley, CO 80634

Anadarko E & P Onshore LLC 1099 18th Street, Suite 1800 Denver, CO 80202

Brady A. Sharp 13042 WCR 42 Platteville, CO 80651

Bruce D. Sandau 18444 WCR 31 Platteville, CO 80651

Dalyne K. Sandau 2111 64th Avenue Greeley, CO 80634

Colorado Department of Highways 4201 E Arkansas Ave Denver, CO 80222

Colorado Land Services, LLC 1051-D W. Highway 34 Loveland, CO 89537

David A. Petrocco and Susan K. Petrocco, tenants in common 367 South 20th Ave. Brighton, CO 80601

E. L. Dodson and Delma Dodson, joint tenants 18331 WCR 29 Platteville, CO 80651

Esther May McLeod, Trustee of the Esther May McLeod Revocable Trust Agreement dated October 17, 2002 1826 E. 19th Street Cheyenne, WY 82001

Farmer's Independent Ditch Company PO Box 1371 Greeley, CO 80632

Francis Royalties, LLC 36141 S. Ocotillo Canyon Drive Tucson, AZ 85739

George Goodell 4474 Pioneer Drive Greeley, CO 80634

Gregory J. Van Hare 3128 Canter Lane Loveland, CO 80537

Irma M. Cogburn P.O. Box 67 Gilcrest, CO 80623

Janet L. Kennedy 5215 Fox Hill Road Norcross, GA 30092

Kelli J. Christian 2107 Dartmouth Place Drive Wildwood, MO 63011

Kenneth J. Dappen and Sandra L. Dappen, joint tenants 13502 Weld County Road 38 1/2 Platteville, CO 80651

Margaret Ann Deroo Address Unknown

Mark E. Van Hare 6539 Shannon Trail Highlands Ranch, CO 80130

McLeod Scientific, LLC 411 W. Curtiss Bozeman, MT 59715

McMahon Energy Partners, LP 4545 S. Monaco St., No. 144 Denver, CO 80237

Meredith A. McAllister 9590 Windsong Loop Bainbridge Island, WA 93110

Remora Oil Company P.O. Box 101026 Denver, CO 80250

Richard A. Horn 15846 W. Bayaud Dr. Golden, CO 80401

Robert S. Van Hare 15539 S.E. 66th Place Belleview, WA 98006 Smith Family Mineral Trust PO Box 537 Belle Fourche, SD 57717

Sonja Karapetian 19, Avenue Gabriel 78170 La Celle-St. Cloud France

Terri Van Hare 1910 Rosecrest Drive Oakland, CA 94602

United States of America BLM Colorado State Office 2850 Youngfield St. Lakewood, CO 80215

Viola Mae Frank 13411 WCR 38 1/2 Platteville, CO 80651

Wilma Mae Brooks 4214 Schuhs Lane Stanwood, WA 98292

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IN THE MATTER OF THE APPLICATION OF PDC ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 480-ACRE WELLBORE DESIGNATED HORIZONTAL 31 AND 32. IN SECTION SPACING UNIT TOWNSHIP 4 NORTH, RANGE 66 WEST, 6TH P.M., NIOBRARA FORMATION. THE COUNTY, WELD WATTENBERG FIELD. COLORADO

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CERTIFICATE OF SERVICE

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

Greg Nibert Jr., of lawful age, and being first duly sworn upon his oath, states and declares:

That he is an attorney for PDC Energy, Inc., and that on or before December 2, 2015, he 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 to the Application.

Greg Nibert Jr

Subscribed and sworn to before me November 25, 2015.

Witness my hand and official seal.

My commission expires:

100

Notary Public