

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA AND CODELL) DOCKET NO. 180400318
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 3 North, Range 66 West, 6th P.M.
Section 3: W $\frac{1}{2}$
Section 4: All
Section 5: E $\frac{1}{2}$ E $\frac{1}{2}$

APPLICATION

On March 1, 2018, PDC Energy, Inc. (Operator No. 69175) ("PDC" or "Applicant"), filed a verified application pursuant to § 34-60-116, C.R.S., for an order to:

- 1) Establish an approximate 1,120-acre drilling and spacing unit for the Application Lands and approve 14 horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations;
- 2) Require the productive interval of the wellbore of any permitted wells in the unit to be located no closer than 150 feet from the east and west unit boundaries, and no closer than 460 feet from the north and south unit boundaries;
- 3) Require that the productive interval of the wellbore of any permitted wells in the unit be located no closer than 150 feet from the productive interval of any other wellbore located in the unit; and
- 4) Provide that the wells shall be drilled from a maximum of two well pads within the unit subject to Rule 318A. or on adjacent lands, unless an exception is granted by the Director.
- 5) Applicant states that all horizontal wells will be drilled in an east-west orientation.

APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- 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. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater

Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, 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, among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.

- 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 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 407-1.
- On May 3, 2016, the Commission entered Order No. 407-1689, which, among other things, pooled all nonconsenting interests in two approximate 466.265-acre wellbore spacing units for the S½SE¼ of Section 31 and the S½S½ of Section 32, Township 4 North, Range 66 West, 6th P.M., and the N½N½ of Section 5 and the N½NE¼ of Section 6, Township 3 North, Range 66 West, 6th P.M., for the Tarin Federal 32Y-404 Well (API No. 05-123-40091) and the Tarin Federal 32Y-314 Well (API No. 05-123-40094), from the Codell and Niobrara formations. PDC excludes from this Application the Tarin Federal 32Y-404 Well and the Tarin Federal 32Y-314 Well, and asserts that the production and payments from the Tarin Federal 32Y-404 Well and the Tarin Federal 32Y-314 Well should be maintained under the authority of Order No. 407-1689 and other applicable Commission orders and rules.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S., and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: April 30 - May 1, 2018
Time: 9:00 a.m.
Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, Colorado 80203


Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than April 16, 2018.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings_unit@state.co.us), one original and two copies shall be filed with the

Commission. Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of April 16, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention. Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By  FOR
Julie Spence Prine, Secretary

Dated: March 23, 2018

Colorado Oil and Gas Conservation Commission
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