

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

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

APPLICATION

PDC Energy, Inc. (Operator No. 69175) (“PDC”), by and through its attorneys, Burns, Figa, & Will, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order applying the cost recovery provisions of C.R.S. § 34-60-116(7) to an additional party within two approximate 720.00-acre Wellbore Spacing Units, as further defined below, for the drilling of the Sandin 24V-341 well (API #05-123-44662) and Sandin 24V-401 well (API #05-123-44666) (collectively, the “Wells”), for the development of the Niobrara and Codell formations on the following described lands:

Township 5 North, Range 64 West, 6th P.M.

Section 7: W $\frac{1}{2}$ W $\frac{1}{2}$
Section 18: W $\frac{1}{2}$ W $\frac{1}{2}$
Section 19: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Township 5 North, Range 65 West, 6th P.M.

Section 12: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 13: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 24: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Weld County, Colorado, containing approximately 720.00 acres
 (“Application Lands”)

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

1. PDC is a corporation duly authorized to do business in Colorado and is registered as an operator in good standing with the Commission.
2. PDC is an Owner with the right to drill into and produce from the Application Lands.
3. Rule 318A, as amended on August 8, 2011, addresses the drilling of horizontal wells under Rule 318A.a.(4)D. Rule 318A was originally established on April 27, 1998 to allow for certain drilling locations to drill or twin an existing well, deepen a

well, or recomplete a well. Rule 318A also provided for the commingling of any or all of the Cretaceous Age formations from the Dakota formation to the surface. Rule 318A was first amended on December 5, 2005 to allow for interior infill and boundary wells and spacing units.

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 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.

5. On June 20, 2016, the Commission entered Order No. 407-1721, which, among other things, pooled all non-consenting interests in a 480-acre wellbore spacing unit for the SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17 and S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Schaumberg 17G-214 well (API #05-123-43089), from the Niobrara formation; pooled all non-consenting interests in two 400-acre wellbore spacing units for the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 17 and N $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M. and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Schaumberg 17F-202 well (API #05-123-43088) and the Schaumberg 17F-332 well (API #05-123-43087), from the Niobrara formation; pooled all non-consenting interests in a 240-acre wellbore spacing unit for the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17 and S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Schaumberg 17G-314 well (API #05-123-43090), from the Niobrara formation. Order No. 407-1721 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

6. On June 20, 2016, the Commission also entered Order No. 407-1722, which, among other things, pooled all non-consenting interests in three 480-acre wellbore spacing units for the SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17 and S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Cecil's Kersey Farm 17K-404 well (API #05-123-42904), from the Codell formation, and the Cecil's Kersey Farm 17K-204 well (API #05-123-42901) and the Cecil's Kersey Farm 17K-334 well (API #05-123-42900), from the Niobrara formation. Order No. 407-1722 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

7. On November 8, 2016, the Commission entered Order No. 407-1820, which, among other things, pooled all non-consenting interests in two 480-acre wellbore spacing units for the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 17 and N $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Schaumberg 17F-204 well (API #05-123-43091) and the Schaumberg 17F-334 well (API #05-123-43092), from the Niobrara formation. Order No.

407-1820 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

8. On November 8, 2016, the Commission also entered Order No. 407-1821, which, among other things, pooled all non-consenting interests in four 720-acre wellbore spacing units for the $W\frac{1}{2}$ of Section 6 and $W\frac{1}{2}$ of Section 7, Township 5 North, Range 64 West, 6th P.M., and the $S\frac{1}{2}SW\frac{1}{4}$ of Section 31, Township 6 North, Range 64 West, 6th P.M., for the Dunn 7L-201 well (API #05-123-42830), Dunn 7L-221 well (API #05-123-42827), Dunn 7L-301 well (API #05-123-42825), and the Dunn 7L-341 well (API #05-123-42832), from the Niobrara formation. Order No. 407-1821 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

9. On November 8, 2016, the Commission also entered Order No. 407-1822, which, among other things, pooled all non-consenting interests in two 720-acre wellbore spacing units for the $W\frac{1}{2}W\frac{1}{2}$ of Section 6 and $W\frac{1}{2}W\frac{1}{2}$ of Section 7, Township 5 North, Range 64 West, 6th P.M., the $E\frac{1}{2}E\frac{1}{2}$ of Section 1 and $E\frac{1}{2}E\frac{1}{2}$ of Section 12, Township 5 North, Range 65 West, 6th P.M., the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 31, Township 6 North, Range 64 West, 6th P.M., and the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 36, Township 6 North, Range 65 West, 6th P.M., for the Dunn 7i-201 well (API #05-123-42828) and the Dunn 7i-321 well (API #05-123-42823) well, from the Niobrara formation. Order No. 407-1822 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

10. On November 8, 2016, the Commission also entered Order No. 407-1823, which, among other things, pooled all non-consenting interests in a 640-acre wellbore spacing unit for the $S\frac{1}{2}S\frac{1}{2}$ of Section 7, $S\frac{1}{2}S\frac{1}{2}$ of Section 8, $N\frac{1}{2}N\frac{1}{2}$ of Section 17, and $N\frac{1}{2}N\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the HOP 18E-232 well (API #05-123-43160), from the Niobrara formation. Order No. 407-1823 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

11. On February 2, 2017, the Commission entered Order No. 407-1877, which, among other things, pooled all non-consenting interests in a 560-acre wellbore spacing unit for the $S\frac{1}{2}S\frac{1}{2}$ of Section 7, $S\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}SE\frac{1}{4}$ of Section 8, $N\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{4}NE\frac{1}{4}$ of Section 17, and $N\frac{1}{2}N\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the HOP 18E-402 well (API #05-123-43159), from the Codell formation. Order No. 407-1877 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

12. On August 10, 2017, the Commission entered Order No. 407-2162 which, among other things, pooled all interests in the approximate 720-acre horizontal Wellbore Spacing Units established for the Application Lands, for the Sandin 24V-341 well and the Sandin 24V-401 well, for development and operation of the Niobrara and Codell formations.

13. Pursuant to Rule 530, PDC requests an order to apply the cost recovery provisions of C.R.S. § 34-60-116(7)(b) to an additional party within the approximate 720-acre horizontal Wellbore Spacing Units established for the Application Lands, for the Sandin 24V-341 well and the Sandin 24V-401 well, for development and operation of the Niobrara and Codell formations.

14. PDC requests that the Commission's Order No. 407-2162 applying the cost recovery provisions of C.R.S. § 34-60-116(7) be applicable to the Sandin 24V-341 well and the Sandin 24V-401 well, effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the Sandin 24V-341 well to the Niobrara formation and the Sandin 24V-401 well to the Codell formation on the Application Lands.

15. The granting of this Application is in accord with the Oil and Gas Conservation Act, C.R.S. § 34-60-101 et seq., and the Commission Rules.

16. PDC requests that the relief granted under this Application be effective upon oral order of the Commission, and PDC hereby agrees to be bound by such oral order.

17. The name and address of the additional interested party, according to the information and belief of PDC, is attached as Exhibit A. PDC certifies that copies of this Application will be served on all parties listed in Exhibit A, as indicated and required by Rule 507.b(2), within seven (7) days for the date hereof, 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 Wells, and will be provided with the information required by Rule 530.

WHEREFORE, PDC respectfully requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that the Commission enter an Order:

- A. To apply the cost recovery provisions of C.R.S. § 34-60-116(7) to an additional party within two 720-acre Wellbore Spacing Units covering the Application Lands, established for the Sandin 24V-341 well (API #05-123-44662) and the Sandin 24V-401 well (API #05-123-44666), which were pooled by Order No. 407-2162; and
- B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

[SIGNATURE PAGE FOLLOWS]

DATED this 29th day of September, 2017.

Respectfully submitted,

PDC Energy, Inc.

By: _____


Michael T. Jewell, Esq. #40902
Courtney M. Shephard, Esq. #47668

Burns, Figa & Will, P.C.
6400 S. Fiddler's Green Circle – Suite 1000
Greenwood Village, CO 80111

PDC Energy, Inc.
Mr. Daniel R. McCoy
1775 Sherman Street - Suite 3000
Denver, CO 80203

VERIFICATION


STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is a Regional Landman – PDC Energy, Inc., which address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.

2. He has read the attached application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.



Daniel R. McCoy

Subscribed and sworn to before me this 27th day of September, 2017.

Witness my hand and official seal.
My commission expires: 5/16/2021

KRISTIE ANN MONEY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134031387
My Commission Expires May 16, 2021




EXHIBIT A

Interested Parties

PDC Energy, Inc.
Wilman Investments, Inc. *

EXHIBIT B

Plats - Sandin 24V-341, 24V-401

[ATTACHED]

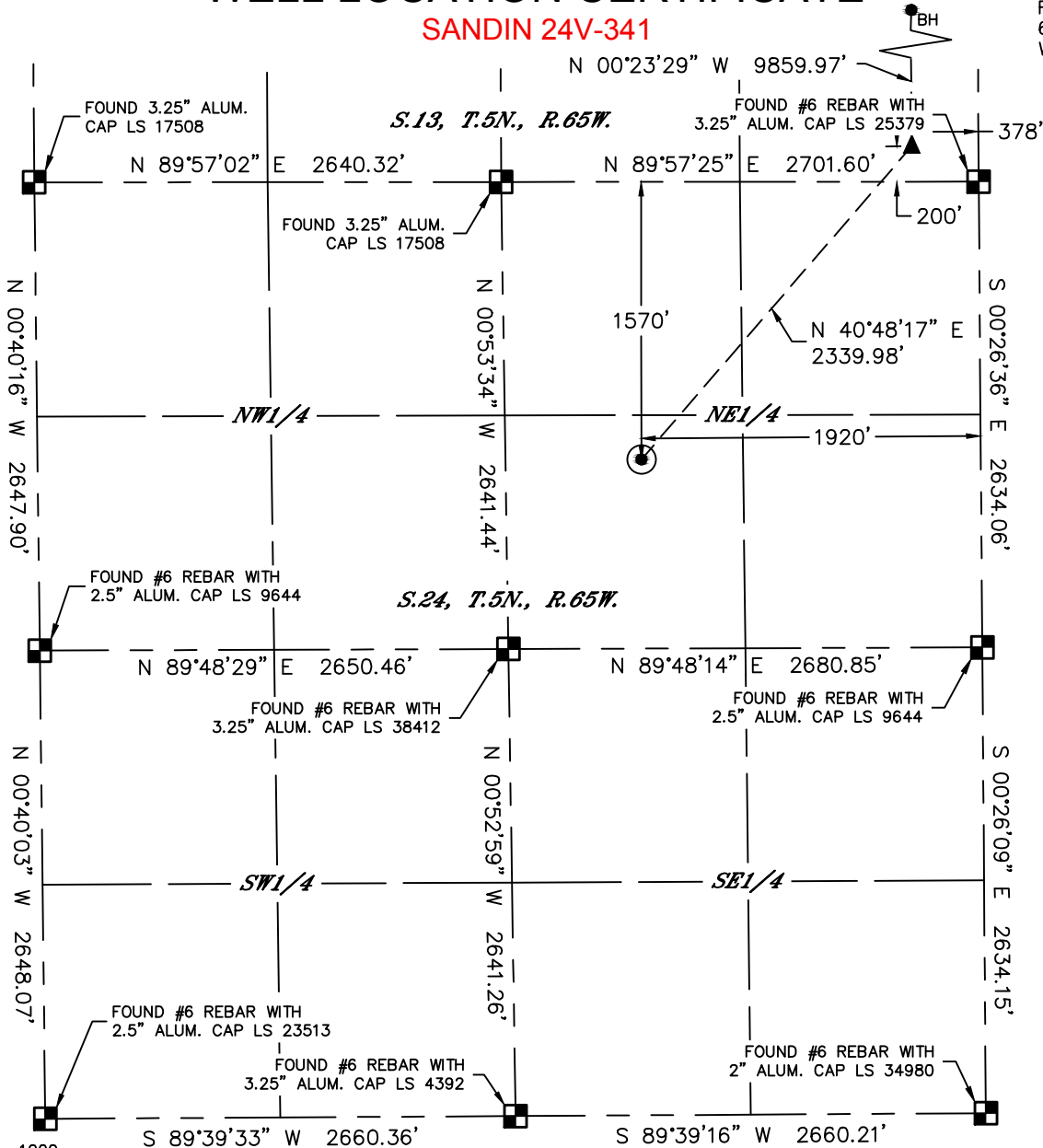


Lat40°, Inc. 6250 W. 10th Street, Unit 2, Greeley, CO 970-515-5294

WELL LOCATION CERTIFICATE

SANDIN 24V-341

SECTION: 24
TOWNSHIP: 5N
RANGE: 65W
6TH. P.M.
WELD COUNTY, CO



LEGEND

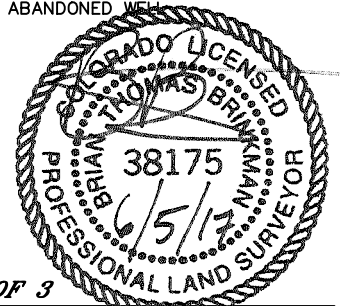
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- = SURFACE HOLE LOCATION (SHL)
- ▲ = ENTRY POINT LOCATION (EP)
- = BOTTOM HOLE LOCATION (BHL)
- ⊕ = EXISTING WELL
- ⊙ = ABANDONED WELL

CLIENT: PDC ENERGY, INC.			LANDMAN: PAUL MONTVILLE						
INSTRUMENT OPERATOR: CASEY KOHOUT			SURVEY DATE: 11/10/2016		SURFACE USE: CROP LAND				
SHL FOOTAGE	SHL LAT °	SHL LONG °	SHL PDOP	SHL ELEV (FT.)	SHL 1/4/1/4	SHL S-T-R			
1570	FNL	1920	FEL	40.38759	-104.60879	1.6	4634	SWNE	24-5-65

BHL FOOTAGE	BHL LAT °	BHL LONG °	BHL S-T-R	EP LAT °	EP LONG °	EP S-T-R			
500	FNL	378	FEL	40.41946	-104.60312	12-5-65	40.39241	-104.60324	13-5-65

NOTE:
 1) Bearings shown are Grid Bearings of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983. The lineal dimensions as contained herein are based upon the "U.S. Survey Foot."
 2) Distances to section lines measured at 90 degrees from said section lines.
 3) Ground elevations are based on an observed GPS elevation (NAVD 1988 DATUM).
 4) Latitude and Longitude shown are (NAD 83 DATUM).
 5) IMPROVEMENTS: See LOCATION DRAWING for all visible improvements within 500' of oil and gas location.
 6) This map does not represent a boundary survey.

NEAREST CULTURAL ITEMS	
BUILDING	±1726' NW
BUILDING UNIT	±1934' NW
HIGH OCCUPANCY BUILDING UNIT	5280'+
DESIGNATED OUTSIDE ACTIVITY AREA	5280'+
PUBLIC ROAD (HWY 34)	±1573' N
ABOVE GROUND UTILITY	±247' N
RAILROAD	±3983' SE
PROPERTY LINE	±251' N



SHEET 1 OF 3

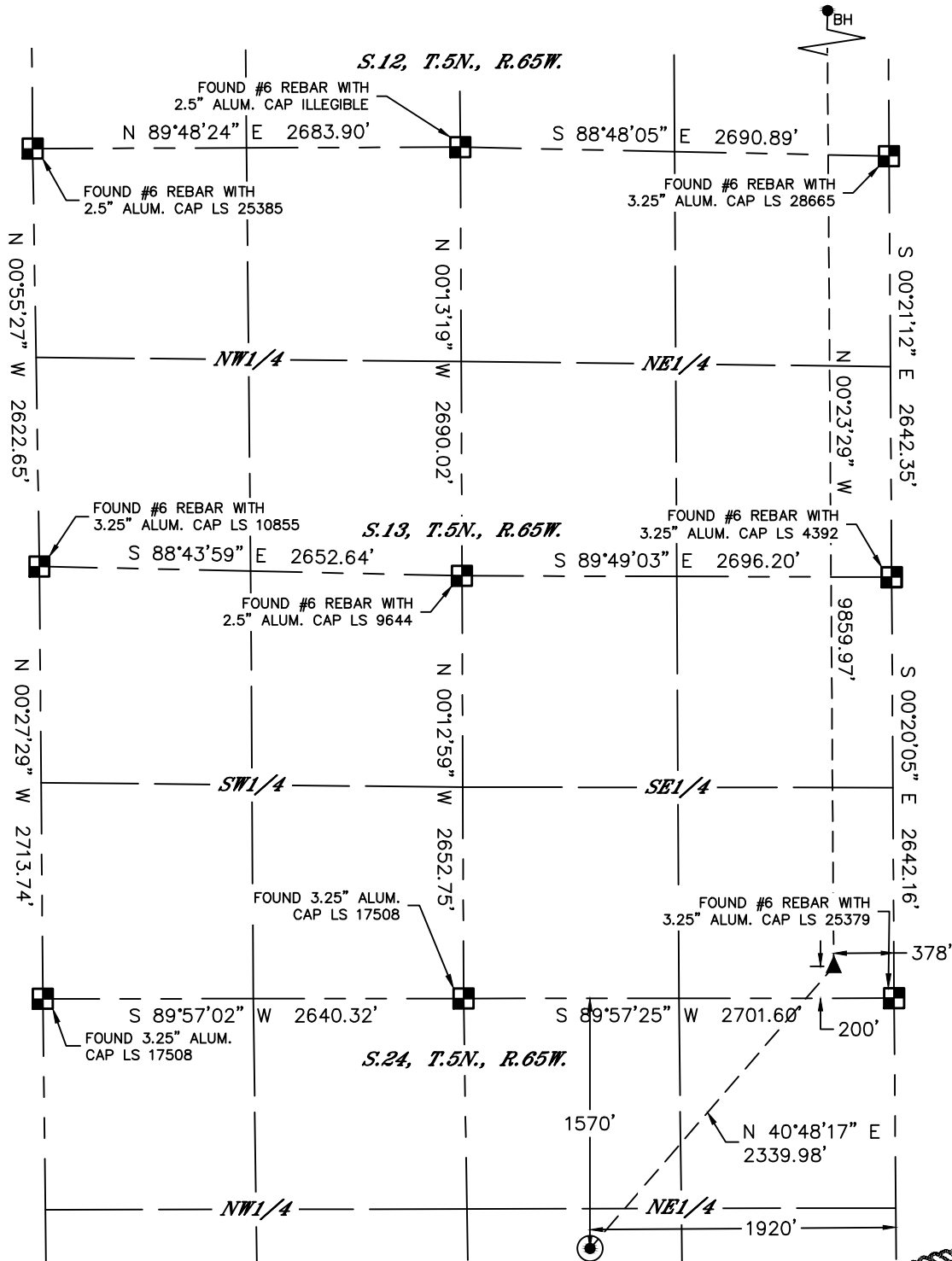
Brian T. Brinkman—On behalf of Lat40, Inc.
 Colorado Licensed Professional Land Surveyor No. 38175
 DATE: 6/5/2017
 PROJECT#: 2016077



WELL LOCATION CERTIFICATE

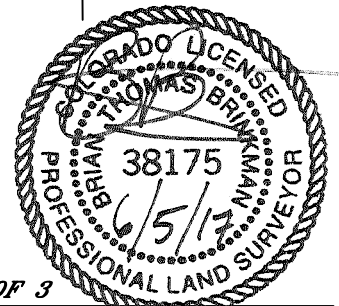
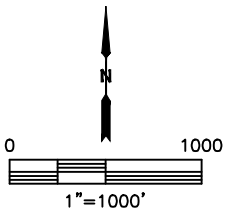
SANDIN 24V-341

SECTION: 24
TOWNSHIP: 5N
RANGE: 65W
6TH. P.M.
WELD COUNTY, CO



LEGEND

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SHEET 2 OF 3

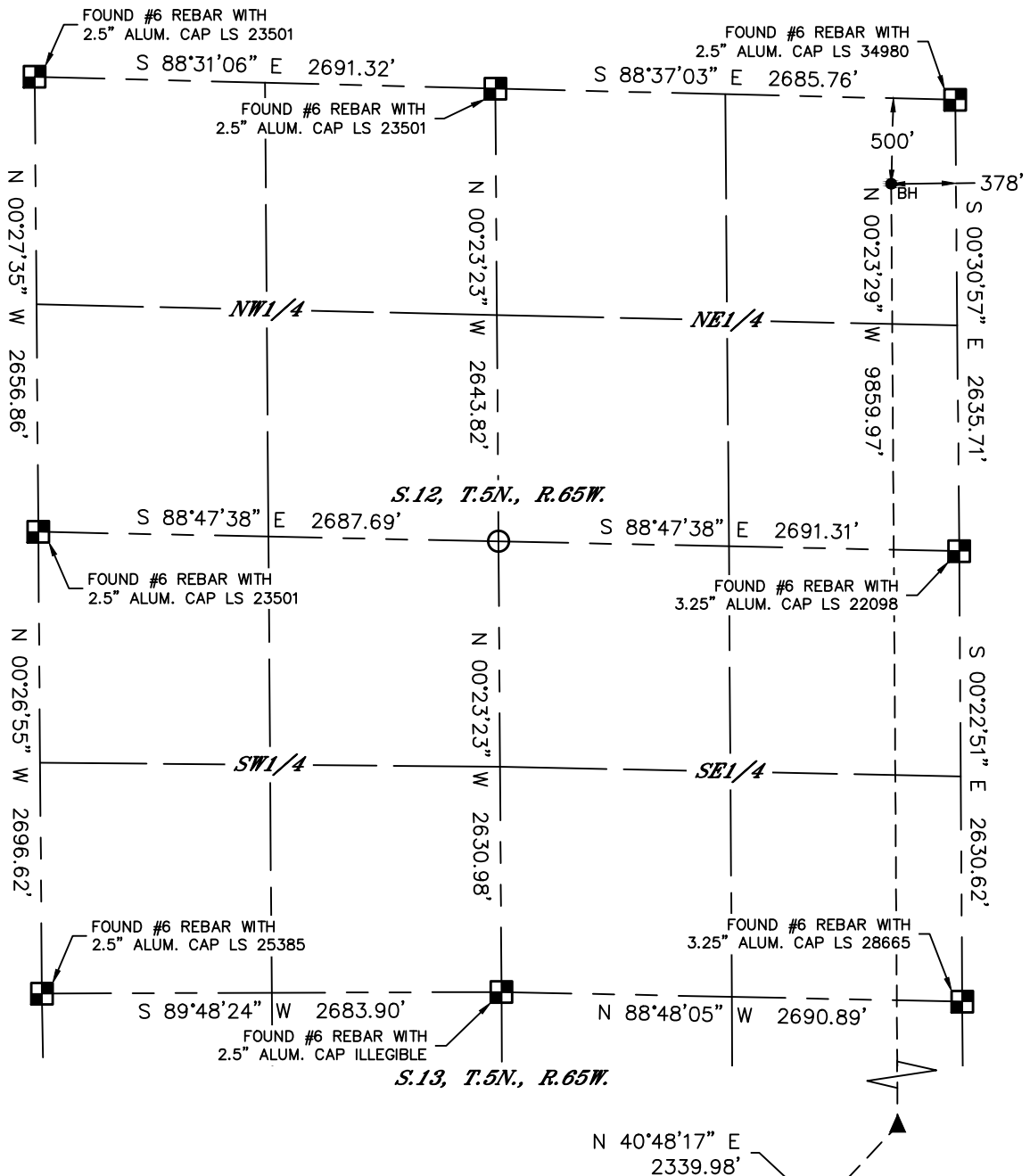
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WELL LOCATION CERTIFICATE

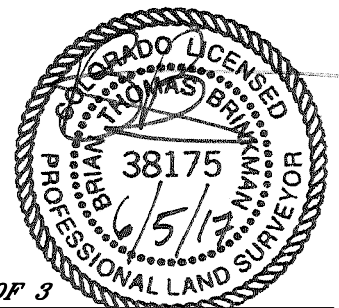
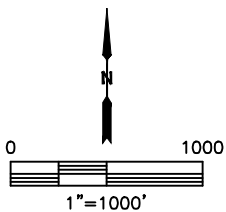
SANDIN 24V-341

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WELD COUNTY, CO



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SHEET 3 OF 3

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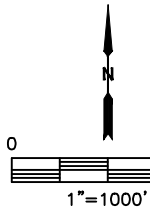
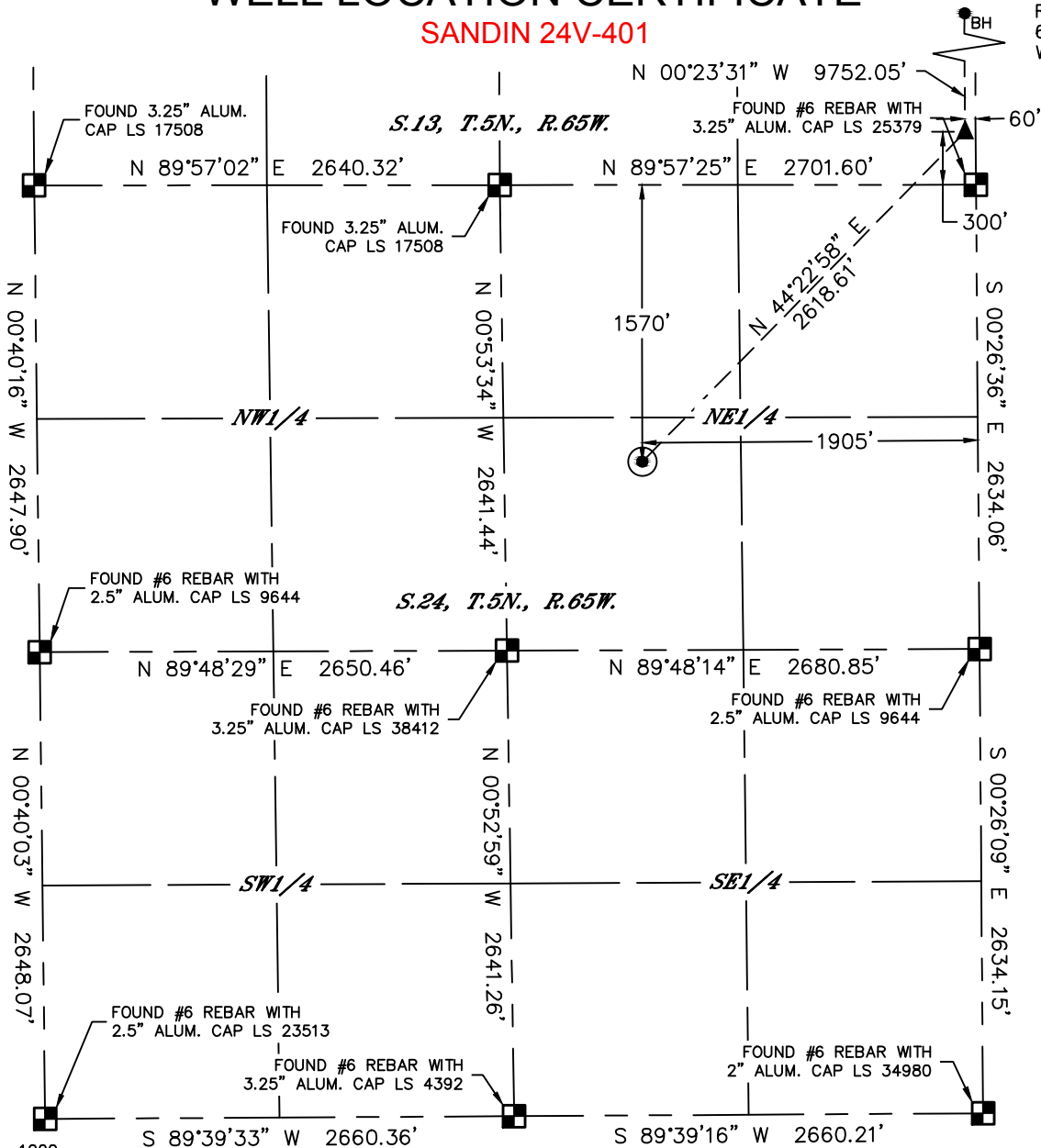


Lat40°, Inc. 6250 W. 10th Street, Unit 2, Greeley, CO 970-515-5294

WELL LOCATION CERTIFICATE

SANDIN 24V-401

SECTION: 24
TOWNSHIP: 5N
RANGE: 65W
6TH. P.M.
WELD COUNTY, CO



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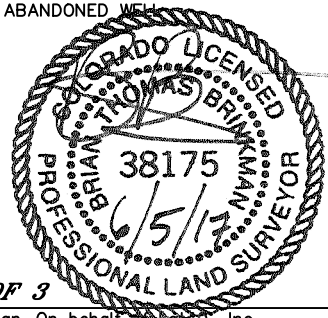
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INSTRUMENT OPERATOR: CASEY KOHOUT			SURVEY DATE: 11/10/2016		SURFACE USE: CROP LAND				
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1570	FNL	1905	FEL	40.38759	-104.60873	1.6	4634	SWNE	24-5-65

BHL FOOTAGE	BHL LAT °	BHL LONG °	BHL S-T-R	EP LAT °	EP LONG °	EP S-T-R			
500	FNL	60	FEL	40.41943	-104.60198	12-5-65	40.39267	-104.60209	13-5-65

NOTE:

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NEAREST CULTURAL ITEMS	
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BUILDING UNIT	±1949' NW
HIGH OCCUPANCY BUILDING UNIT	5280'+
DESIGNATED OUTSIDE ACTIVITY AREA	5280'+
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PROPERTY LINE	±251' N



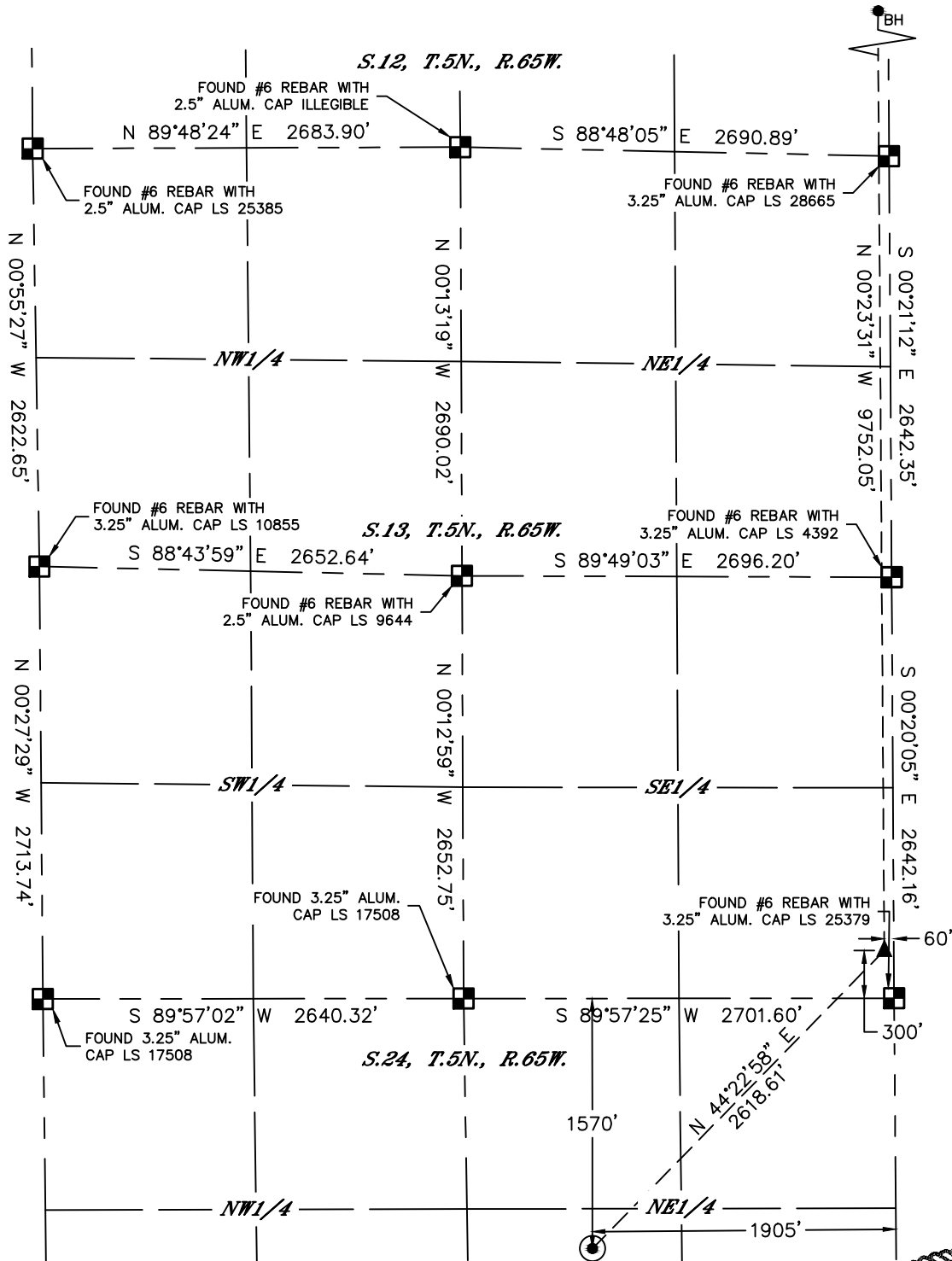
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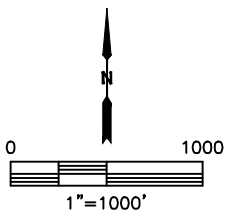
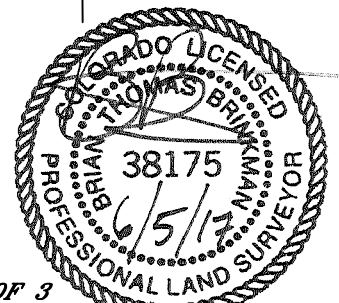
SANDIN 24V-401

SECTION: 24
TOWNSHIP: 5N
RANGE: 65W
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WELD COUNTY, CO



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SHEET 2 OF 3

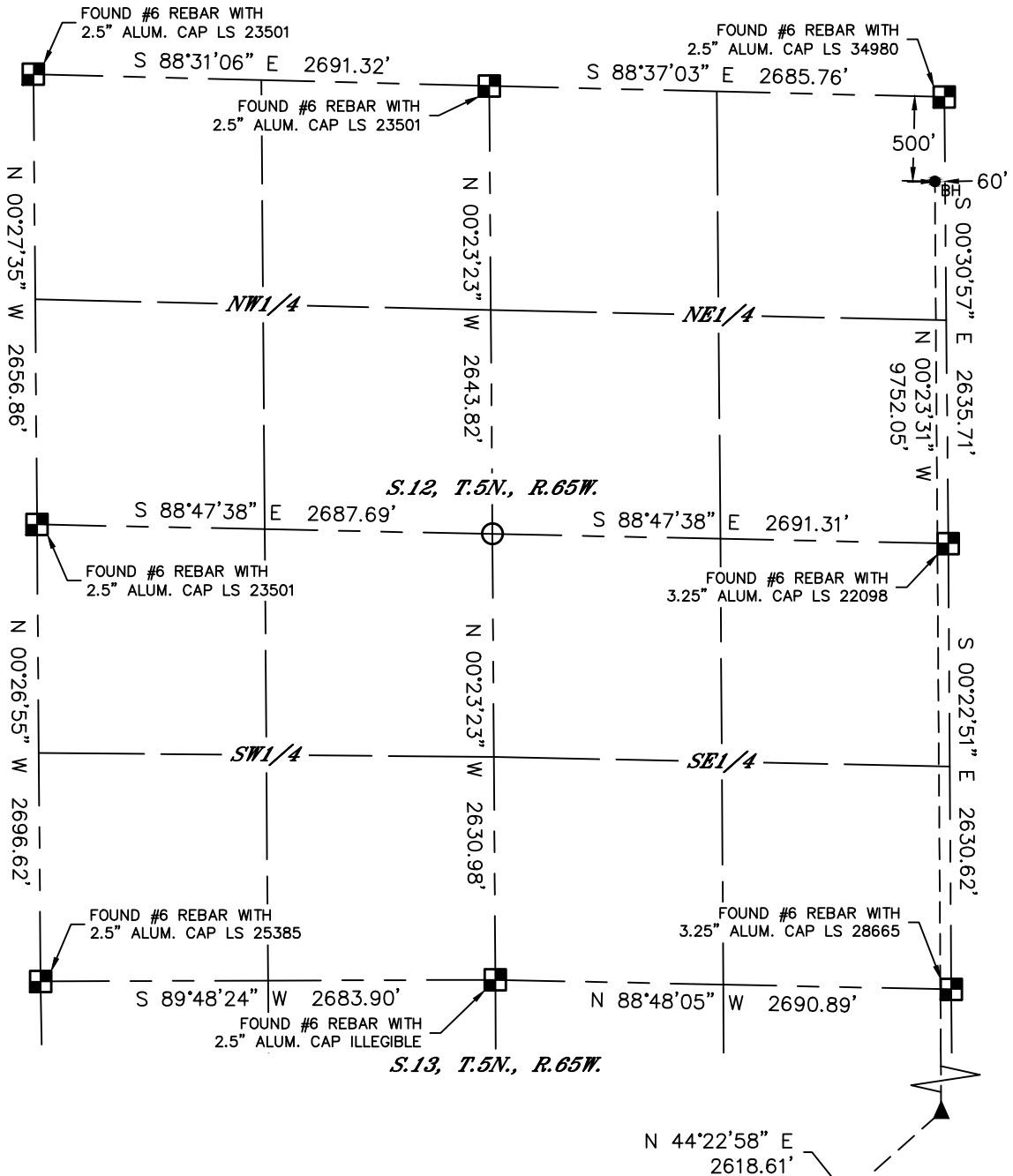
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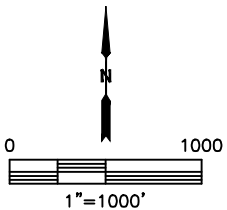
SANDIN 24V-401

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