

**BEFORE THE OIL & GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO**

IN THE MATTER OF AN **AMENDED** APPLICATION  
BY SRC ENERGY INC. FOR AN ORDER  
ESTABLISHING AN APPROXIMATE 1,440-ACRE  
DRILLING AND SPACING UNIT FOR SECTIONS 1  
AND 2, TOWNSHIP 5 NORTH, RANGE 67 WEST,  
6TH P.M. AND CERTAIN PORTIONS OF SECTION 6,  
TOWNSHIP 5 NORTH, RANGE 66 WEST, 6TH P.M.,  
FOR HORIZONTAL WELL DEVELOPMENT OF THE  
CODELL AND NIOBRARA FORMATIONS,  
WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 171200808

TYPE: SPACING

**AMENDED APPLICATION**

SRC Energy Inc., Operator No. 10311 ("SRC" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate 1,440-acre drilling and spacing unit for Sections 1 and 2, Township 5 North, Range 67 West, 6th P.M. and certain portions of Section 6, Township 5 North, Range 66 West, 6th P.M., and authorizing the drilling of up to 20 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. In support of its **Amended** Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
2. Applicant owns substantial leasehold interests in the below-listed lands:

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

Township 5 North, Range 67 West, 6th P.M.  
Section 1: All  
Section 2: All

1,440 acres, more or less, Weld County, Colorado.

These lands are hereinafter 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 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. The online records maintained by the COGCC indicate that numerous vertical and directional wells are currently producing from the Codell and/or Niobrara Formations in the Application Lands, as depicted on Exhibit B attached hereto. Applicant hereby confirms that each of these wells shall remain subject to applicable spacing orders of the Commission, and shall not be affected by Applicant's requested relief under this **Amended** Application. Proceeds from the sale of oil or gas from these wells shall continue to be distributed based on the applicable spacing orders for these wells. As of the date of this **Amended** Application, no horizontal wells have been drilled within the proposed unit.

5. Applicant requests the Commission establish the Application Lands as an approximate 1,440-acre drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this **Amended** Application and completed in the Codell and Niobrara Formations.

6. Applicant requests it be authorized to drill and complete up to 20 horizontal wells in the approximate 1,440-acre drilling and spacing unit proposed for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

7. Applicant further requests that, for any permitted wells to be drilled under this **Amended** Application, the treated intervals of the wellbore should be not less than **150 feet from the western boundary and not less than 460 feet from the remaining** boundaries of the proposed unit, with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, without exception being granted by the Director.

9. The granting of this **Amended** 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.

10. Applicant states that any horizontal wells to be drilled under this **Amended** Application will be drilled from two multi-well pads on the surface of the drilling unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

11. Applicant requests that relief granted under this **Amended** Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

12. The undersigned certifies that copies of this **Amended** 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, this Commission enter its order:

A. Establishing an approximate 1,440-acre drilling and spacing unit for Application Lands, and authorizing the drilling of up to 20 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the treated intervals of the wellbore of any permitted wells to be located not less than **150 feet from the western boundary and not less than 460 feet** from the **remaining** boundaries of the proposed unit, with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, without exception being granted by the Director.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 11<sup>th</sup> 20<sup>th</sup> day of October, 2017.

Respectfully submitted,

**SRC ENERGY INC.**

By: Jobediah J. Rittenhouse  
Jillian Fulcher  
James Parrot  
Jobediah J. Rittenhouse  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16th Street, Suite 1100  
Denver, Colorado 80202  
(303) 407-4499  
jfulcher@bwenergylaw.com  
jparrot@bwenergylaw.com  
jrittenhouse@bwenergylaw.com

Address of Applicant

SRC Energy Inc.  
ATTN: Matthew Johnson  
1625 Broadway, Suite 300  
Denver, Colorado 80202

VERIFICATION

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

Matthew Johnson, Senior Landman with SRC Energy Inc., 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.

SRC ENERGY INC.

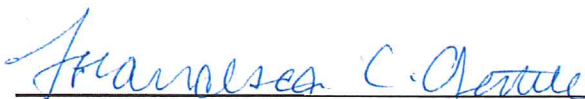


Matthew Johnson

Subscribed and sworn to before me this 19th day of October, 2018, by  
Matthew Johnson, Senior Landman for SRC Energy Inc. 7

Witness my hand and official seal.

My commission expires: Nov 25, 2019

  
\_\_\_\_\_  
Notary Public

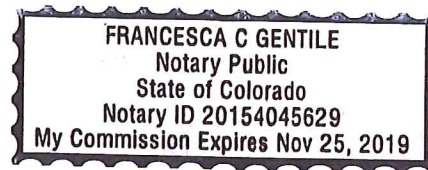


Exhibit A

Reference Map for Spacing Amended Application

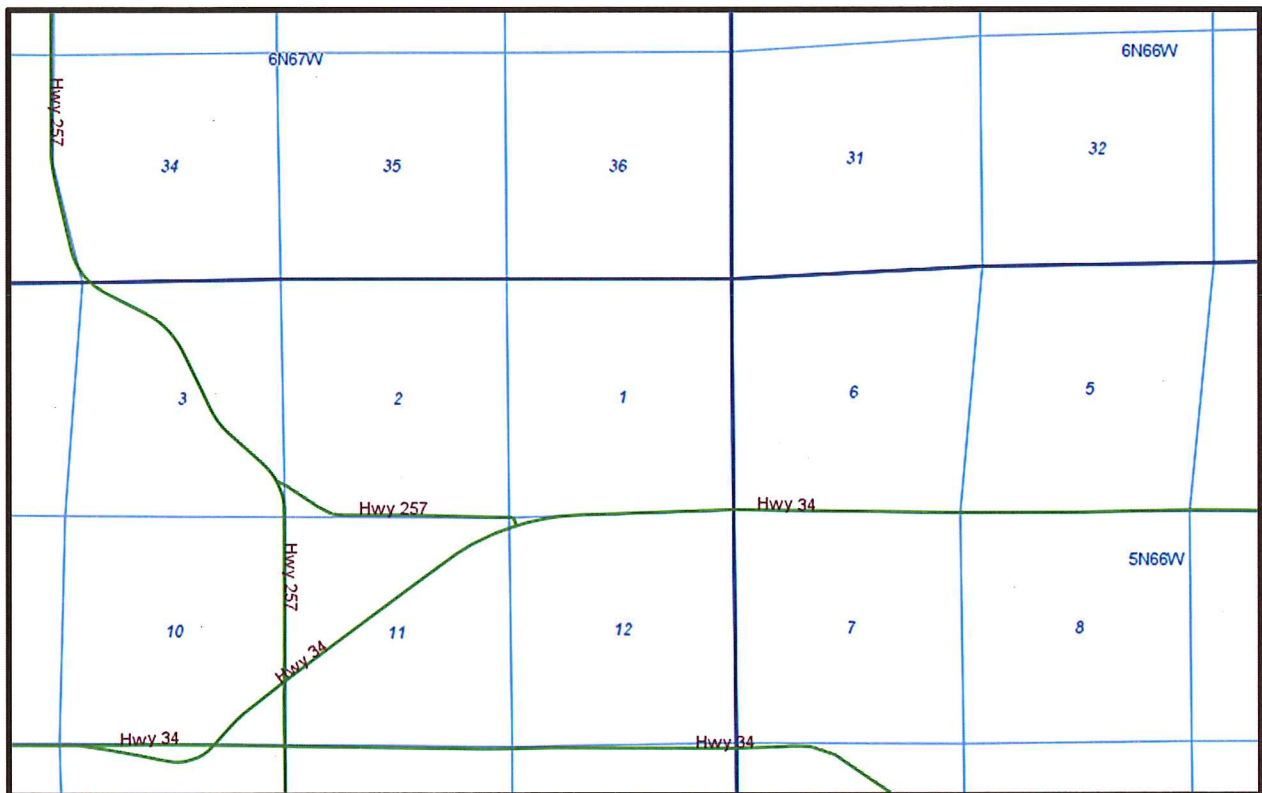
Township 5 North, Range 66 West, 6th P.M.

Section 6:  $W\frac{1}{2}W\frac{1}{2}$

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

Section 1: All

Section 2: All



## EXHIBIT B

### Producing Vertical and Directional Wells

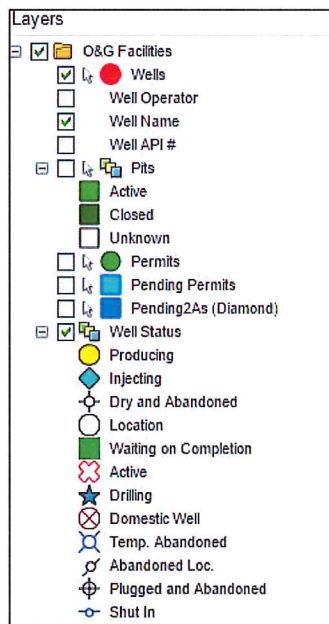
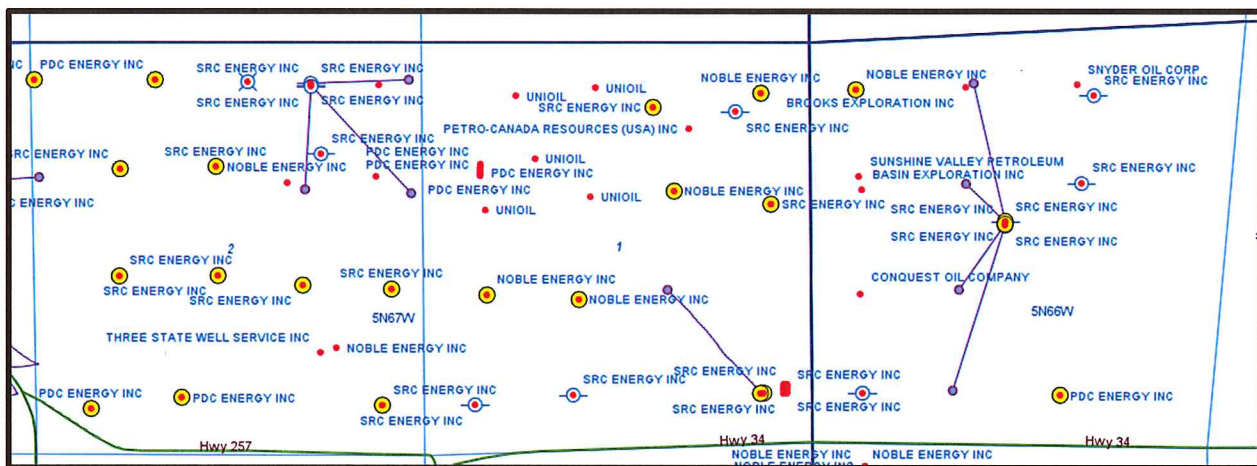
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Section 6:  $W\frac{1}{2}W\frac{1}{2}$

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

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IN THE MATTER OF AN AMENDED  
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ORDER ESTABLISHING AN APPROXIMATE  
1,440-ACRE DRILLING AND SPACING UNIT FOR  
SECTIONS 1 AND 2, TOWNSHIP 5 NORTH,  
RANGE 67 WEST, 6TH P.M. AND CERTAIN  
PORTIONS OF SECTION 6, TOWNSHIP 5  
NORTH, RANGE 66 WEST, 6TH P.M., FOR  
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**AFFIDAVIT OF MAILING**

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


Tracy L. Peterson, of lawful age, and being first duly sworn upon her oath, states and declares:

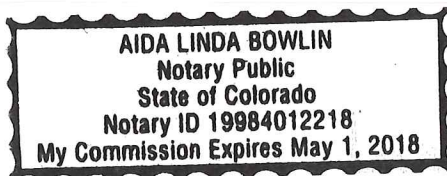
That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for SRC Energy Inc., and on or before October 20, 2017, caused a copy of the attached Amended Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A attached hereto.

  
Tracy L. Peterson

Subscribed and sworn to before me this 20<sup>th</sup> day of October, 2017.

Witness my hand and official seal.

  
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.

PDC ENERGY, INC.  
1775 SHERMAN ST. SUITE 3000  
DENVER, CO 80203

INCLINE NIOBRARA PARTNERS, LP  
5019 N CENTRAL EXPRESSWAY SUITE B  
DALLAS, TX 75205

ANDELE ENERGY, L.L.C.  
590 S WILLIAMS ST  
DENVER, CO 80209

POLUS, INC.  
290 WILMOT ROAD  
NEW ROCHELLE, NY 10804

THERESA D. KOHLS  
639 46TH AVENUE CT  
GREELEY, CO 80634

HANS GARTNER, TRUSTEE  
C/O LYNN HAMMOND  
1255 W 6TH ST  
LOVELAND, CO 80537

DOROTHY A. ABBOTT  
C/O JANICE ABBOTT  
432 N 800 E  
AMERICAN FORK, UT 84003

MICHAEL O. CULLUP AND  
ROSANNE C. CULLUP (JTWROS)  
11567 US HIGHWAY 34  
GREELEY, CO 80634

BRANDON MARETTE, ENERGY LIAISON  
COLORADO PARKS AND WILDLIFE  
NORTHEAST REGION OFFICE  
6060 BROADWAY  
DENVER, CO 80216

TROY SWAIN  
WELD COUNTY  
DEPARTMENT OF PLANNING SERVICES  
1555 NORTH 17<sup>TH</sup> AVENUE  
GREELEY, CO 80631

EXTRACTION OIL & GAS, LLC  
370 17TH STREET SUITE 5300  
DENVER, CO 80202

ALARADO, LLC  
215 UNION BLVD SUITE 450  
LAKEWOOD, CO 80228

ECLIPSE ENERGY, L.L.C.  
300 BOARDWALK DR. UNIT 6A  
FORT COLLINS, CO 80525

KERR-MCGEE OIL & GAS ONSHORE LP  
1099 18TH STREET SUITE 1800  
DENVER, CO 80202

DEBRA L. BROADHEAD  
1015 OLD RIDGE RD E  
PRATTVILLE, AL 36066

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, AS TRUSTEE FOR  
MERRILL LYNCH MORTGAGE INVESTORS  
TRUST MORTGAGE LOAN ASSET-BACKED  
CERTIFICATES, SERIES 2004-OPT1  
C/O OPTION ONE MORTGAGE CORPORATION  
65001 IRVINE CENTER DRIVE  
IRVINE, CA 92618

EVA KRISTINA EHRENFEUCHT  
REVOCABLE TRUST  
438 W. GRIFFITH ST  
LOUISVILLE, CO 80027

LOUISE SCHLOTHAUER  
404 LOCUST  
WINDSOR, CO 80550

KENT KUSTER  
OIL & GAS CONSULTANT COORDINATOR  
COLORADO DEPARTMENT OF  
PUBLIC HEALTH & ENVIRONMENT  
4300 CHERRY CREEK DRIVE SOUTH  
DENVER, CO 80246-1530