

**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 CODELL AND NIOBRARA) DOCKET NO. 171200865
FORMATIONS, WATTENBERG FIELD, ADAMS) 171000663
COUNTY, COLORADO)
) TYPE: SPACING

NOTICE OF CHANGE OF FIRM AFFILIATION

Effective May 15, 2018, the undersigned has resigned his affiliation with Fox Rothschild LLP. Accordingly, from and after May 16, 2018: (i) Fox Rothschild LLP withdraws from representation of PetroShare Corp. and (ii) PetroShare Corp. shall continue to be represented by the undersigned, whose affiliation from and after such date shall be with the following law firm:

**Brent Chicken
Steptoe & Johnson PLLC
600 17th St.
Ste. 2300
Denver, CO 80202
303.389.4300
Brent.Chicken@Steptoe-Johnson.com**

Please direct all future correspondence and inquiries concerning the above-captioned matter to the undersigned at the contact information set forth above.

DATED this 15th day of May, 2018.

FOX ROTHSCHILD LLP
By: 
BRENT D. CHICKEN (CO Bar No. 36217)
1225 17th Street, Suite 2200
Denver, CO 80202
303-292-1200
bchicken@foxrothschild.com
Attorneys for Applicant PetroShare Corp.

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IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
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COUNTY, COLORADO)	
)	TYPE: SPACING

CERTIFICATE OF SERVICE

Brent Chicken, of lawful age and being first duly sworn upon his oath, states and declares that he is the attorney for PetroShare Corp. in the above-captioned matter(s), and that on May 15, 2018 he caused a true and complete copy of the foregoing Notice of Change of Firm Association to be sent electronically to the following parties:

Greg Nibert Daniel Franklin Davis, Graham & Stubbs LLP Attorneys for Extraction Oil & Gas, Inc. greg.nibert@dgsllaw.com daniel.franklin@dgsllaw.com	Michael T. Jewell Courtney M. Shephard Burns, Figa & Will, P.C. Attorneys for Verdad Resources LLC mjewell@bflaw.com cshephard@bflaw.com
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Brent Chicken

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

IN THE MATTER OF AN APPLICATION BY)
PETROSHARE CORP. FOR AN ORDER TO, AMONG) CAUSE NO. 407
OTHER THINGS, ESTABLISH AN APPROXIMATE)
1,280.00-ACRE DRILLING AND SPACING UNIT) DOCKET NO. _____
COMPRISED OF ALL OF SECTIONS 17 AND 20,)
TOWNSHIP 1 SOUTH, RANGE 65 WEST, 6TH P.M., FOR) TYPE: SPACING
THE CODELL-NIOBRARA FORMATIONS,)
WATTENBERG FIELD, ADAMS COUNTY, COLORADO)

APPLICATION

PetroShare Corp. ("Applicant"), by and through its attorneys, Fox Rothschild LLP, respectfully submits this Application ("Application") to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate 1,280.00-acre drilling and spacing unit comprised of all of Sections 17 and 20, Township 1 South, Range 65 West, 6th P.M., for horizontal well development of the Codell-Niobrara Formations ("Subject Formations"), Wattenberg Field, Adams County, Colorado.

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 registered as Operator No. 10454 with the Commission.

2. Applicant owns leasehold interests in the below-listed lands ("Application Lands"):

Township 1 South, Range 65 West, 6th P.M.

Section 17: All

Section 20: All

Containing 1,280.00 acres, more or less

3. A map depicting the acreage comprising the Application Lands, which lie within the Greater Wattenberg Area ("GWA") as defined by Commission Rule 318A, is attached hereto and incorporated herein as **Exhibit A**.

4. On April 27, 1998, the Commission adopted Commission 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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. Commission Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells. On December 5, 2005, Commission Rule 318A was amended to, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Commission Rule 318A was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to Commission Rule 318A for the Codell-Niobrara Formations.¹

¹ Commission Rule 318A supersedes Commission Order No. 407-87 dated February 19, 1992, as amended, with respect to the Application Lands.

5. The Commission has issued no other orders concerning the establishment of drilling and spacing units touching and concerning the Application Lands regarding the horizontal well development of the Codell-Niobrara Formations.

6. As of the date of the filing of this Application: (a) no horizontal wells have been drilled on the Application Lands; (b) there are two (2) vertical wells: (i) the Box Elder #32-20, API # 05-001-09383; and (ii) the Amoco #17-32, API # 05-001-09534 producing from the Subject Formations on the Application Lands; (c) with the exception of the foregoing, there are no other wells (vertical, directional or horizontal) located on the Application Lands producing from the Subject Formations; and (d) there are sixteen (16) pending applications for permit to drill horizontal wells on the Application Lands to the Subject Formations.²

7. Applicant requests the establishment of the Application Lands as an approximate 1,280.00-acre drilling and spacing unit for the horizontal well production of Codell-Niobrara Formations oil, gas and associated hydrocarbons, pursuant to Commission Rule 503.b.(1) and C.R.S. § 34-60-116(2) ("Proposed DSU").

8. Applicant requests authorization to drill, complete and operate up to sixteen (16) horizontal wells in the Proposed DSU (collectively, "Wells"), for the production of Codell-Niobrara Formations oil, gas and associated hydrocarbons ("Well Density Request"), pursuant to Commission Rule 503.b.(1).

9. Applicant requests authorization that the productive interval for any of the Wells be located no closer than one hundred fifty feet (150') from the productive interval of any other wellbore located within the Proposed DSU, absent exception being granted by the Director or variance being granted by the Commission ("Interwell Setback Request"), pursuant to Commission Rule 503.b.(1).

10. Applicant requests authorization that the productive interval for any of the Wells be located no closer than four hundred sixty feet (460') from the boundary of the Proposed DSU, absent exception being granted by the Director or variance being granted by the Commission ("Boundary Line Setback Request"), pursuant to Commission Rule 503.b.(1).

² Specifically: (i) Wakeman 20-17-1CDH Well, COGCC Document No. 401415727, approved as complete by the COGCC on or about 10/02/2017; (ii) Wakeman 20-17-4CDH Well, COGCC Document No. 401415245, submitted to the COGCC on or about 10/09/2017; (iii) Wakeman 20-17-2NBH Well, COGCC Document No. 401415719, submitted to the COGCC on or about 10/10/2017; (iv) Wakeman 20-17-2NCH Well, COGCC Document No. 401415721, submitted to the COGCC on or about 10/10/2017; (v) Wakeman 20-17-2NAH Well, COGCC Document No. 401415722, submitted to the COGCC on or about 10/10/2017; (vi) Wakeman 20-17-2CDH Well, COGCC Document No. 401415723, submitted to the COGCC on or about 10/10/2017; (vii) Wakeman 20-17-1NBH Well, COGCC Document No. 401415724, submitted to the COGCC on or about 10/10/2017; (viii) Wakeman 20-17-1NCH Well, COGCC Document No. 401415725, submitted to the COGCC on or about 10/10/2017; (ix) Wakeman 20-17-1NAH Well, COGCC Document No. 401415726, submitted to the COGCC on or about 10/10/2017; (x) Wakeman 20-17-4NAH Well, COGCC Document No. 401415871, submitted to the COGCC on or about 10/09/2017; (xi) Wakeman 20-17-4NBH Well, COGCC Document No. 401415872, submitted to the COGCC on or about 10/09/2017; (xii) Wakeman 20-17-4NCH Well, COGCC Document No. 401415876, submitted to the COGCC on or about 10/09/2017; (xiii) Wakeman 20-17-3CDH Well, COGCC Document No. 401415878, submitted to the COGCC on or about 10/09/2017; (xiv) Wakeman 20-17-3NAH Well, COGCC Document No. 401415880, submitted to the COGCC on or about 10/09/2017; (xv) Wakeman 20-17-3NBH Well, COGCC Document No. 401415886, submitted to the COGCC on or about 10/09/2017; and (xvi) Wakeman 20-17-3NCH Well, COGCC Document No. 401415888, submitted to the COGCC on or about 10/09/2017.

11. Applicant states that the Proposed DSU is not smaller than the maximum area that can be economically and efficiently drained by the Wells.

12. Applicant states that its request for the creation of the Proposed DSU, the granting of the Well Density Request, the granting of the Interwell Setback Request, and the granting of the Boundary Line Setback Request, are each necessary and will promote full, economic and efficient resource recovery, minimize surface impacts, create of efficiencies for drilling and production, increase the ultimate recovery of the hydrocarbon reserves from the Application Lands, prevent waste, and protect correlative rights.

13. Applicant states that no interested party will be prejudiced by the granting of the relief sought herein.

14. Applicant notes that the Application Lands are subject to the Application of Verdad Resources LLC ("Verdad Application"), which seeks the establishment of an 1,280.00-acre drilling and spacing unit comprised of the Application Lands.

15. The Verdad Application is currently pending before the Commission in Cause No. 407, Docket No. 171000663, for the scheduled October 2017 Commission hearings.

16. Applicant intends to timely file a protest of the Verdad Application pursuant to Commission Rule 509.

17. Applicant states that any horizontal wells to be drilled under this Application will be drilled on the surface of the Proposed DSU, or on adjacent lands with consent of the surface landowner, from no more than one (1) multi-well pad, absent exception being granted by the Director or variance being granted by the Commission.

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

19. The names and addresses of the interested parties (Owners within the Application Lands) are attached hereto and incorporated herein as **Exhibit B**.

20. Applicant shall submit a certificate of service for this Application within seven (7) days pursuant to Commission Rules 503.e, 507.

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 the Application Lands as an approximate 1,280.00-acre drilling and spacing unit for the horizontal well production of Codell-Niobrara Formations oil, gas and associated hydrocarbons;

B. Authorizing the drilling, completion and operation of up to sixteen (16) horizontal wells in the drilling and spacing unit so established, for the production of Codell-Niobrara Formations oil, gas and associated hydrocarbons;


C. Authorizing that the productive interval for any of the horizontal wells in the drilling and spacing unit so established be located no closer than one hundred fifty feet (150') from the

productive interval of any other wellbore located within the same, absent exception being granted by the Director or variance being granted by the Commission;

D. Authorizing that the productive interval for any of the horizontal wells in the drilling and spacing unit so established be located no closer than four hundred sixty feet (460') from the boundary of the same, absent exception being granted by the Director or variance being granted by the Commission; and

E. For such other findings and orders as the Commission may deem proper or advisable.

Respectfully dated and submitted this 12th day of October, 2017.

By: 
Brent D. Chicken (Colorado Bar No. 36217)
Jacob Baer (Colorado Bar No. 47051)
Fox Rothschild LLP
Attorney for Applicant
1225 17th Street
Suite 2200
Denver, CO 80202
303.446.3844

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9635 Maroon Circle
Suite 400
Englewood, CO 80112-5927
303.500.1168
bgivan@PetroSharecorp.com

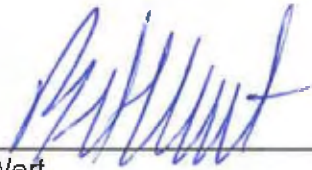
Local Governmental Designee:
Christopher LaMere
4300 South Adams County Pkwy.
Brighton, CO 80601-8218
720.523.6891
Clamere@adcogov.org

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

Brian H. Wert, Senior Landman, PetroShare Corp., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

PETROSHARE CORP.



Brian H. Wert
Senior Landman

Acknowledged, subscribed and sworn to before me this 11th day of October, 2017 by Brian H. Wert, Senior Landman of PetroShare Corp.



Print Name: _____
Notary Public
State of Colorado
My commission expires: _____

SEAL



EXHIBIT A

PROPOSED DSU MAP

Township 1 South, Range 65 West, 6th P.M.

Section 17: All

Section 20: All

Containing 1,280.00 acres, more or less

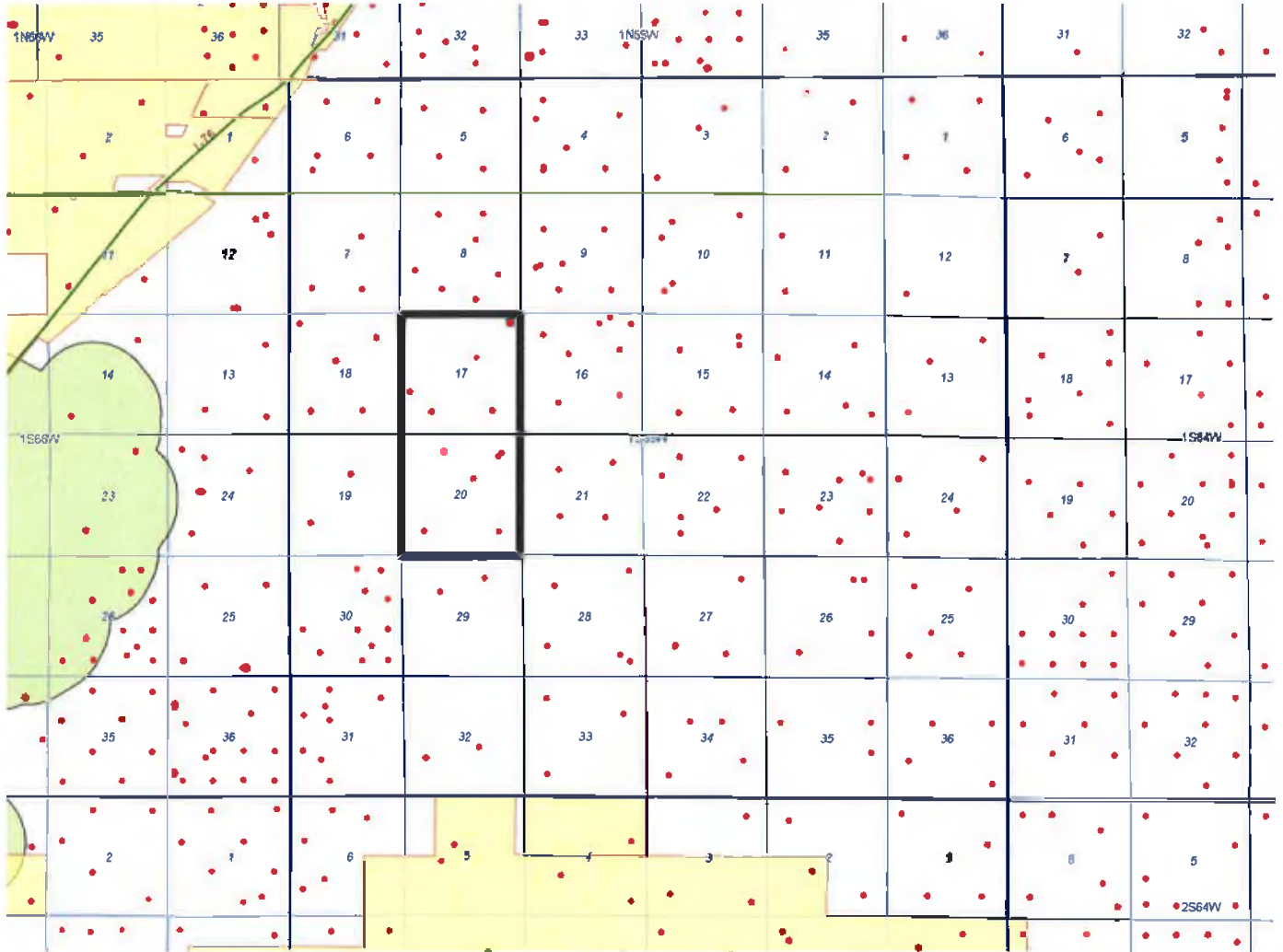


EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (Owners within all of Sections 17 and 20, Township 1 South, Range 65 West, 6th P.M.), according to the information and belief of the Applicant, are set forth in this **Exhibit B**.

Christopher LaMere 4300 South Adams County Pkwy. Brighton, CO 80601-8218	Extraction Oil and Gas, LLC 370 17th St. Ste. 5300 Denver, CO 80202
Anadarko Petroleum Corporation/Kerr-McGee Oil & Gas Onshore LP. 1099 18th St. Ste. 1800 Denver, CO 80202	Verdad Resources LLC 5950 Cedar Springs Rd Dallas, TX 75235

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WATTENBERG FIELD, ADAMS COUNTY, COLORADO)

CERTIFICATE OF SERVICE

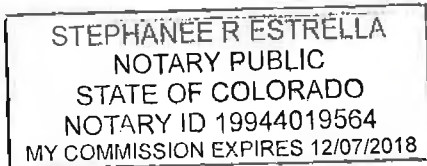
Jacob Baer, of lawful age, and being first duly sworn upon his oath, states and declares that he is the attorney for PetroShare Corp. in the above-captioned matter, and that on October 17, 2017, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.



Jacob Baer

Subscribed and sworn to before me on the 17th day of October, 2017.

Witness my hand and official seal.





Notary Public