

**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. 180100065
FORMATIONS, WATTENBERG FIELD, ADAMS)	
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.

**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 NOS. 180100065
FORMATIONS, WATTENBERG FIELD, ADAMS)	
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:

Jill Fulcher Jobediah Rittenhouse Attorneys for Extraction Oil & Gas, Inc. jfulcher@bwenerylaw.com jrittenhouse@bwenerylaw.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)
1,278.40-ACRE DRILLING AND SPACING UNIT) DOCKET NO. _____
COMPRISED OF ALL OF SECTION 35, TOWNSHIP 1)
SOUTH, RANGE 66 WEST, 6TH P.M., AND ALL OF) TYPE: SPACING
SECTION 2, TOWNSHIP 2 SOUTH, RANGE 66 WEST,)
6TH P.M., FOR 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 1,278.40-acre drilling and spacing unit comprised of all of Section 35, Township 1 South, Range 66 West, 6th P.M., and all of Section 2, Township 2 South, Range 66 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 66 West, 6th P.M.
Section 35: All

Township 2 South, Range 66 West, 6th P.M.
Section 2: All

Containing 1,278.40 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

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 in the Subject Formations; (b) there no vertical wells 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 1,278.40-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).

¹ Commission Rule 318A supersedes Commission Order No. 407-87 dated February 19, 1992, as amended, with respect to the Application Lands. The Application Lands are also subject to Commission Rule 317A – DJ Basin Fox Hills Protection Area and a portion of the N/2NW/4 of the Application Lands lies within the Brighton 1-189 PWS Area. In addition, a portion of Section 35 of the Application Lands is subject to Pooling Order No. 407-2075 which pooled all interests in two (2) approximate 560-acre horizontal wellbore spacing units for the drilling of the Alma 1S-66-2524 19NH Well (API No. 05-001-10020) and the Alma 1S-66-2524 20CDH Well (API No. 05-001-10027). This Pooling Order will have no effect on the subject of this Application.

² Specifically: (i) Ackard North 2-35-1CDH, COGCC Document No. 401447390, approved as complete by the COGCC on or about 11/21/2017; (ii) Ackard North 2-35-2NAH, COGCC Document No. 401447517, approved as complete by the COGCC on or about 11/21/2017; (iii) Ackard North 2-35-4NCH, COGCC Document No. 401447558, approved as complete by the COGCC on or about 11/21/2017; (iv) Ackard North 2-35-4NBH, COGCC Document No. 401447556, approved as complete by the COGCC on or about 11/21/2017; (v) Ackard North 2-35-4NAH, COGCC Document No. 401447555, approved as complete by the COGCC on or about 11/21/2017; (vi) Ackard North 2-35-4CDH, COGCC Document No. 401447551, approved as complete by the COGCC on or about 11/21/2017; (vii) Ackard North 2-35-3NBH, COGCC Document No. 401447550, approved as complete by the COGCC on or about 11/21/2017; (viii) Ackard North 2-35-3NCH, COGCC Document No. 401447545, approved as complete by the COGCC on or about 11/21/2017; (ix) Ackard North 2-35-3NAH, COGCC Document No. 401447543, approved as complete by the COGCC on or about 11/20/2017; (x) Ackard North 2-35-3CDH, COGCC Document No. 401447527, approved as complete by the COGCC on or about 11/20/2017; (xi) Ackard North 2-35-2NBH, COGCC Document No. 401447525, approved as complete by the COGCC on or about 11/20/2017; (xii) Ackard North 2-35-2NCH, COGCC Document No. 401447521, approved as complete by the COGCC on or about 11/20/2017; (xiii) Ackard North 2-35-2CDH, COGCC Document No. 401447513, approved as complete by the COGCC on or about 11/20/2017; (xiv) Ackard North 2-35-1NBH, COGCC Document No. 401447510, approved as complete by the COGCC on or about 11/20/2017; (xv) Ackard North 2-35-1NCH; COGCC Document No. 401447508, approved as complete by the COGCC on or about 11/20/2017; (xvi) Ackard North 2-35-1NAH, COGCC Document No. 401447504, approved as complete by the COGCC on or about 11/20/2017.

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).

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 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 one multi-well pad, absent exception being granted by the Director or variance being granted by the Commission.

15. 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.

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

17. 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 1,278.40-acre drilling and spacing unit for the horizontal well production of Codell-Niobrara Formations oil, gas and associated hydrocarbons;

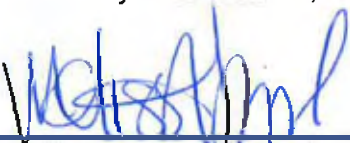
B. Authorizing the drilling, completion and operation of up to sixteen (16) horizontal wells in the drilling and spacing unit so established, for the production of Codell-Niobrara Formations oil, gas and associated hydrocarbons;

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 30th day of November, 2017.

By: 
Brent D. Chicken (Colorado Bar No. 36217)
Melissa J. Lyon (Colorado Bar No. 45791)
Fox Rothschild LLP
Attorneys for Applicant
1225 17th Street, Suite 2200
Denver, CO 80202
303.446.3844

Applicant:
PetroShare Corp.
Attn: William R. Givan
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 28th day of November, 2017 by Brian H. Wert, Senior Landman of PetroShare Corp.



Print Name: Sami Alexander
Notary Public
State of Colorado
My commission expires: 9/12/18

SEAL

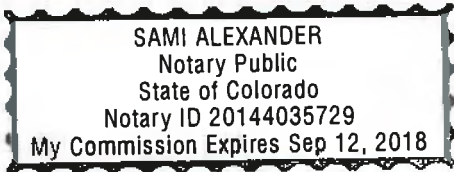


EXHIBIT A

PROPOSED DSU MAP

Township 1 South, Range 66 West, 6th P.M.
Section 35: All

Township 2 South, Range 66 West, 6th P.M.
Section 2: All

Containing 1,278.40 acres, more or less

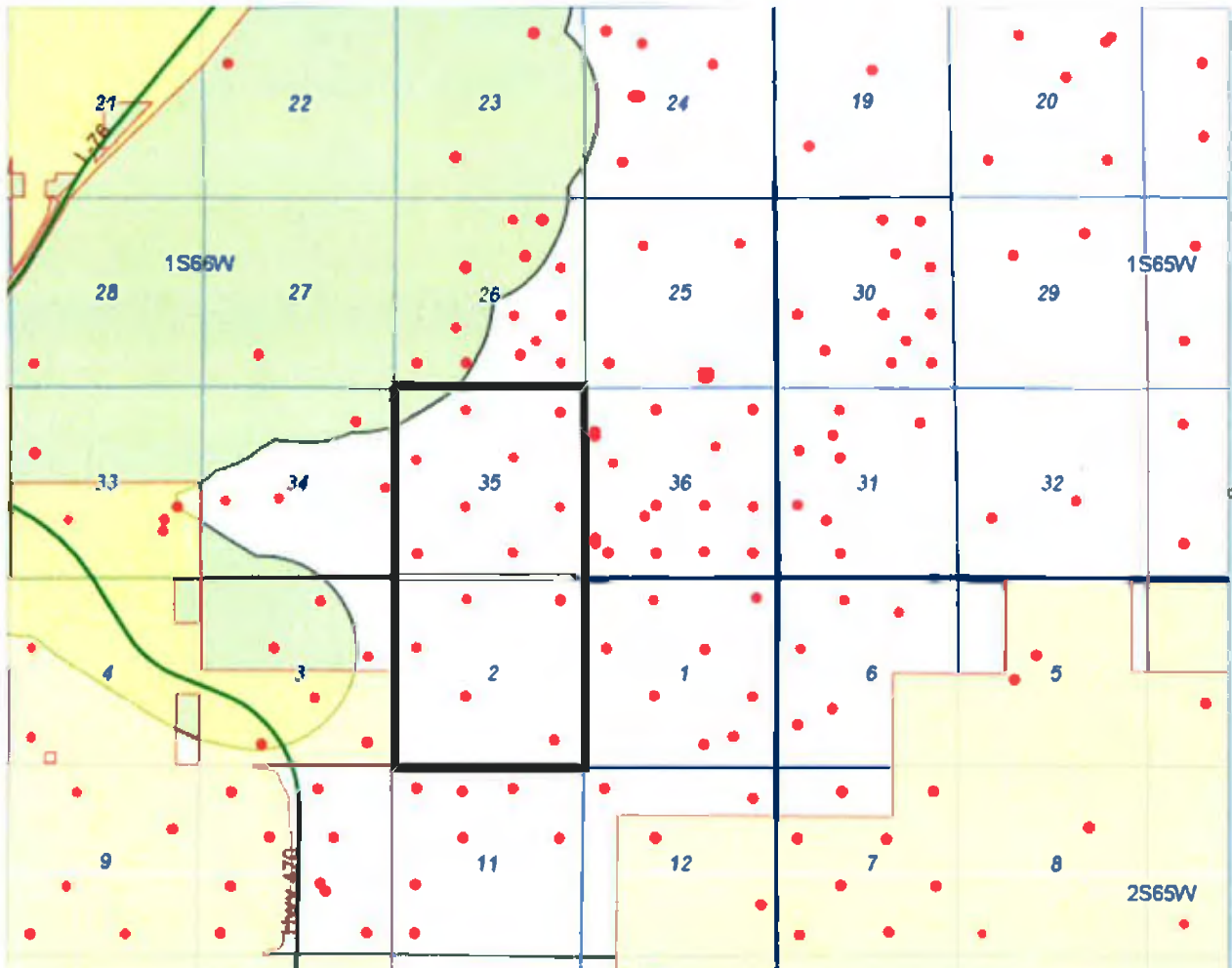


EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (Owners within all of Section 35, Township 1 South, Range 66 West, 6th P.M., and all of Section 2, Township 2 South, Range 66 West), according to the information and belief of the Applicant, are set forth in this **Exhibit B**.

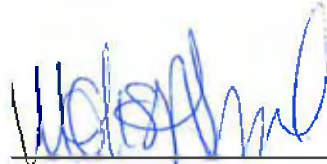
Christopher LaMere 4300 South Adams County Pkwy. Brighton, CO 80601-8218	Grizzly Petroleum Company, LLC 1801 Broadway Street, Suite 500 Denver, CO 80202
Great Western Operating Company LLC 1801 Broadway Street, Suite 500 Denver, CO 80202	HRM Resources II, LLC 410-17th Street, Suite 1600 Denver, CO 80202
Providence Energy Operators, LLC 16400 North Dallas Parkway, Suite 400 Dallas, TX 75248	Nutmeg Financial Services, Inc. 1 Morningside Drive North Westport, CT 06880
Alexander 1983 Drilling Program 240 West 35th Street New York, NY 10001	Milnex Resources Corporation 1120 Lincoln Street, Suite 900 Denver, CO 80201
George G. Vaught, Jr. P.O. Box 13557 Denver, CO 80201	McCulliss Resources Co., Inc. 620-17th Street, Suite 1320 Denver, CO 80293
Beverly Ann Schaefer, Calli Jo Schaefer, Brandon R. Schaefer 11465 Picadilly Road Commerce City, CO 80022	Donald Albert Esquibel and Yvonne Everille Esquibel P.O. Box 95 Las Vegas, NM 87701
Alberto Vasquez Jacobo and Roberta Vazquez 11381 Picadilly Road Commerce City, CO 80022	Armando Orozco and Rita I. Orozco 21341 East 112th Avenue Commerce City, CO 80022
Earl Sanders Route 2, Box 65A Kirks, CO 80824	Extraction Oil & Gas, LLC 370 17th St., Suite 5300 Denver, CO 80202

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SOUTH, RANGE 66 WEST, 6TH P.M., AND ALL OF) TYPE: SPACING
SECTION 2, TOWNSHIP 2 SOUTH, RANGE 66 WEST,)
6TH P.M., FOR THE CODELL-NIOBRARA)
FORMATIONS, WATTENBERG FIELD, ADAMS)
COUNTY, COLORADO)

CERTIFICATE OF SERVICE

Melissa J. Lyon, of lawful age, and being first duly sworn upon her oath, states and declares that she is the attorney for PetroShare Corp. in the above-captioned matter, and that on November 30th 2017, she 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.

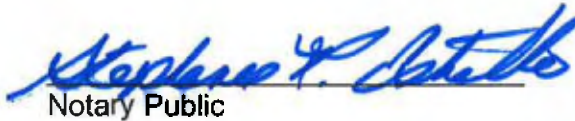


Melissa J. Lyon

Subscribed and sworn to before me on the 30th day of November, 2017.

Witness my hand and official seal.

STEPHANEER ESTRELLA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19944019564
MY COMMISSION EXPIRES 12/07/2018



Notary Public

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
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IN THE MATTER OF AN APPLICATION BY)
PETROSHARE CORP. FOR AN ORDER TO, AMONG) CAUSE NO. 407
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1,278.40-ACRE DRILLING AND SPACING UNIT) DOCKET NO. 180100065
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6TH P.M., FOR THE CODELL-NIOBRARA)
FORMATIONS, WATTENBERG FIELD, ADAMS)
COUNTY, COLORADO)

SUPPLEMENTAL CERTIFICATE OF SERVICE

Melissa J. Lyon, of lawful age, and being first duly sworn upon his oath, states and declares that he is the attorney for Petroshare Corp. ("PetroShare") with respect to the above-captioned matter, and that on November 30, 2017, he filed a Certificate of Service with the Colorado Oil and Gas Conservation Commission ("Commission") indicating that a copy of PetroShare's Application in the above-captioned matter had been deposited in the United States Mail, postage prepaid, addressed to the parties identified in Exhibit "B" to such Application, including the following parties:

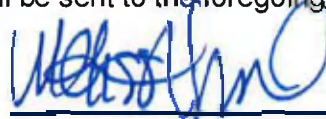
Milnex Resource Corporation
1120 Lincoln Street, Suite 900
Denver, CO 80201

Subsequent to the foregoing, the mailings to the foregoing interested parties were returned undeliverable. The undersigned was then advised that Petroshare had located (or had been provided with) updated last known mailing addresses for the foregoing interested parties.

Accordingly, on December 28, 2017, the undersigned caused a true and complete copy of Petroshare's Application in the above-captioned matter to be sent to the foregoing parties at the following corrected addresses:

Milnex Resource Corporation
1120 Lincoln Street, Suite 900
Denver, CO 80203

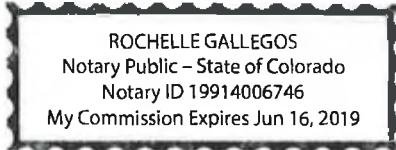
All further correspondence and notices concerning Petroshare's Application in the above-captioned matter, including Notices of Hearing, shall be sent to the foregoing interested parties at the foregoing corrected addresses.



Melissa J. Lyon

Subscribed and sworn to before me on the 28th day of December, 2017.

Witness my hand and official seal.



Notary Public