

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

IN THE MATTER OF THE APPLICATION ) CAUSE NO.  
OF THE PROMULGATION AND )  
ESTABLISHMENT OF FIELD RULES TO ) DOCKET NO.  
GOVERN OPERATIONS FOR THE )  
NIOBRARA FORMATION, WATTENBERG ) TYPE: POOLING  
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 an approximate 360-acre Wellbore Spacing Unit, for the drilling of the Sandin 24C-221 well (API No. 05-123-44665) ("Well"), for the development of the Niobrara formation on the following described lands:

Township 5 North, Range 65 West, 6<sup>th</sup> 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 360.00 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, 6<sup>th</sup> 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, 6<sup>th</sup> P.M., for the Schaumberg 17G-214 well (API No. 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, 6<sup>th</sup> P.M. and the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 13, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for the Schaumberg 17F-202 well (API No. 05-123-43088) and the Schaumberg 17F-332 well (API No. 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, 6<sup>th</sup> P.M., and the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 13, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for the Schaumberg 17G-314 well (API No. 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 Well.

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, 6<sup>th</sup> 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, 6<sup>th</sup> P.M., for the Cecil's Kersey Farm 17K-404 well (API No. 05-123-42904), from the Codell formation, and the Cecil's Kersey Farm 17K-204 well (API No. 05-123-42901) and the Cecil's Kersey Farm 17K-334 well (API No. 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 Well.

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, 6<sup>th</sup> P.M., and the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 13, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for the Schaumberg 17F-204 well (API No. 05-123-43091) and the Schaumberg 17F-334 well (API No. 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 Well.

8. 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, 6<sup>th</sup> 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, 6<sup>th</sup> P.M., the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 31, Township 6 North, Range 64 West, 6<sup>th</sup> P.M., and the SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Section 36, Township 6 North, Range 65 West, 6<sup>th</sup> P.M., for the Dunn 7i-201 well (API No. 05-123-42828) and the Dunn 7i-321 well (API No. 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 Well.

9. On June 21, 2017, the Commission entered Order No. 407-2066, which, among other things, pooled all non-consenting interests in three 480-acre wellbore spacing units for W<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub> of Section 17 and S<sup>1</sup>/<sub>2</sub> of Section 18, Township 5 North, Range 64 West, 6<sup>th</sup> P.M., and the E<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub> of Section 13, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for the Gillham 18X-234 well (API (#05-123-43904), Gillham 18X-332 well (API No. 05-123-43908), and the Gillham 18X-104 well (API No. 05-123-43902), from the Niobrara formation. Order No. 407-2066 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Well.

10. Also on June 21, 2017, the Commission entered Order No. 407-2067, which, among other things, pooled all non-consenting interests in two 480-acre wellbore spacing units for the W<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub> of Section 17 and S<sup>1</sup>/<sub>2</sub> of Section 18, Township 5 North, Range 64 West, 6<sup>th</sup> P.M., and the E<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub> of Section 13, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for the Cecils Kersey Farm 17B-214 well (API No. 05-123-43895) and Cecils Kersey Farm 17B-304 well (API No. 05-123-43894), from the Niobrara formation. Order No. 407-2067 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Well.

11. Also on June 21, 2017, the Commission entered Order No. 407-2158, which, among other things, pooled all interests in four 720-acre wellbore spacing units for the E<sup>1</sup>/<sub>2</sub> of Section 12, E<sup>1</sup>/<sub>2</sub> of Section 13, and N<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub> of Section 24, Township 5 North Range 65 West, 6<sup>th</sup> P.M., for the Sandin 24C-201 well (API No. 05-123-44668), Sandin 24C-241 well (API No. 05-123-44664), Sandin 24C-301 well (API No. 05-123-44670, and the Sandin 24C-321 well (API No. 05-123-44661), from the Niobrara formation. Order No. 407-2158 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Well.

12. On August 10, 2017, the Commission entered Order No. 407-2160, which, among other things, pooled all interests in three 720-acre wellbore spacing units for the W<sup>1</sup>/<sub>2</sub>E<sup>1</sup>/<sub>2</sub>, E<sup>1</sup>/<sub>2</sub>W<sup>1</sup>/<sub>2</sub> of Section 12, W<sup>1</sup>/<sub>2</sub>E<sup>1</sup>/<sub>2</sub>, E<sup>1</sup>/<sub>2</sub>W<sup>1</sup>/<sub>2</sub> of Section 13, and NW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 24, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for the Sandin 24N-241 well (API No. 05-123-44667), Sandin 24N-301 well (API No. 05-123-44671), and Sandin 24N-221 well (API No. 05-123-44663), from the Niobrara formation. Order No. 407-2160 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Well.

13. Also on August 10, 2017, the Commission entered Order No. 407-2162, which, among other things, pooled all interests in two 720-acre wellbore spacing units for W<sup>1</sup>/<sub>2</sub>W<sup>1</sup>/<sub>2</sub> of Section 7, W<sup>1</sup>/<sub>2</sub>W<sup>1</sup>/<sub>2</sub> of Section 18, and NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 19, Township 5

North, Range 64 West, 6<sup>th</sup> P.M., and the E½E½ of Section 12, E½E½ of Section 13, and NE¼NE¼ of Section 24, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., from the Codell and Niobrara formations. Order No. 407-2162 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Well.

14. Also on August 10, 2017, the Commission entered Order No. 407-2159, which, among other things, pooled all interests in the approximate 360-acre horizontal Wellbore Spacing Unit established for the Application Lands, for the Sandin 24C-221 well, for the development and operation of the Niobrara formation.

15. 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 360-acre horizontal Wellbore Spacing Unit established for the Application Lands, for the Sandin 24C-221 well, for development and operation of the Niobrara formation.

16. PDC requests that the Commission's Order No. 407-2159 applying the cost recovery provisions of C.R.S. § 34-60-116(7) be applicable to the Sandin 24C-221 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 24C-221 well to the Niobrara formation on the Application Lands.

17. 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.

18. 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.

19. The name 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 the 360-acre Wellbore Spacing Unit covering the Application Lands, established for the Sandin 24C-221 well (API No. 05-123-44665), which was pooled by Order No. 407-2159; and
- B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 30<sup>th</sup> day of November, 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                    )  
  )  
COUNTY OF DENVER                    )        ss.

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 for the Sandin 24C-221 well, 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 30<sup>th</sup> day of November, 2017.

Witness my hand and official seal.  
My commission expires: Feb. 20, 2018

JAIMEE WALDEN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20144007055 COMMISSION EXPIRES FEB. 20. 2018
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\_\_\_\_\_

EXHIBIT A

Interested Parties

“\*” denotes the interested parties that may be subject to the statutory cost recovery provisions of C.R.S. § 34-60-116.

PDC Energy, Inc.
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Estate of Bernice Eva Knoph*
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EXHIBIT B

Plat - Sandin 24C-221

[ATTACHED]



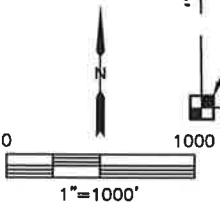
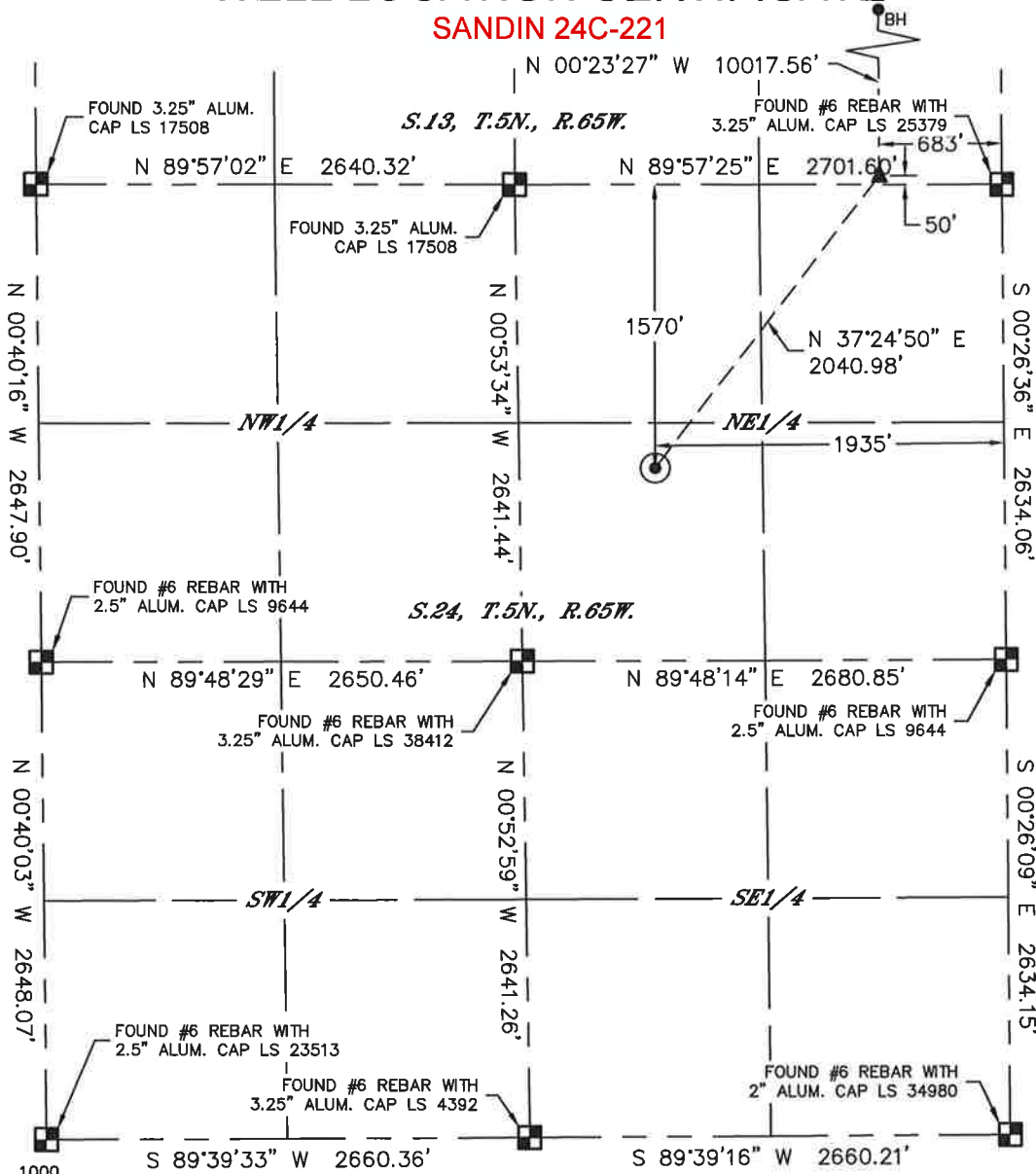


Lat40, Inc. 6250 W. 10th Street, Unit 2, Greeley, CO 970-515-5294

# WELL LOCATION CERTIFICATE

**SANDIN 24C-221**

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



**LEGEND**

- = ALIQUOT MONUMENT AS DESCRIBED
- = CALCULATED POSITION
- ⊙ = 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	1935	FEL	40.38759	-104.60884	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	683	FEL	40.41949	-104.60422	12-5-65 40.39200 -104.60433 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	±1712' NW
BUILDING UNIT	±1919' NW
HIGH OCCUPANCY BUILDING UNIT	5280'+
DESIGNATED OUTSIDE ACTIVITY AREA	5280'+
PUBLIC ROAD (HWY 34)	±1573' N
ABOVE GROUND UTILITY	±247' N
RAILROAD	±3988' 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

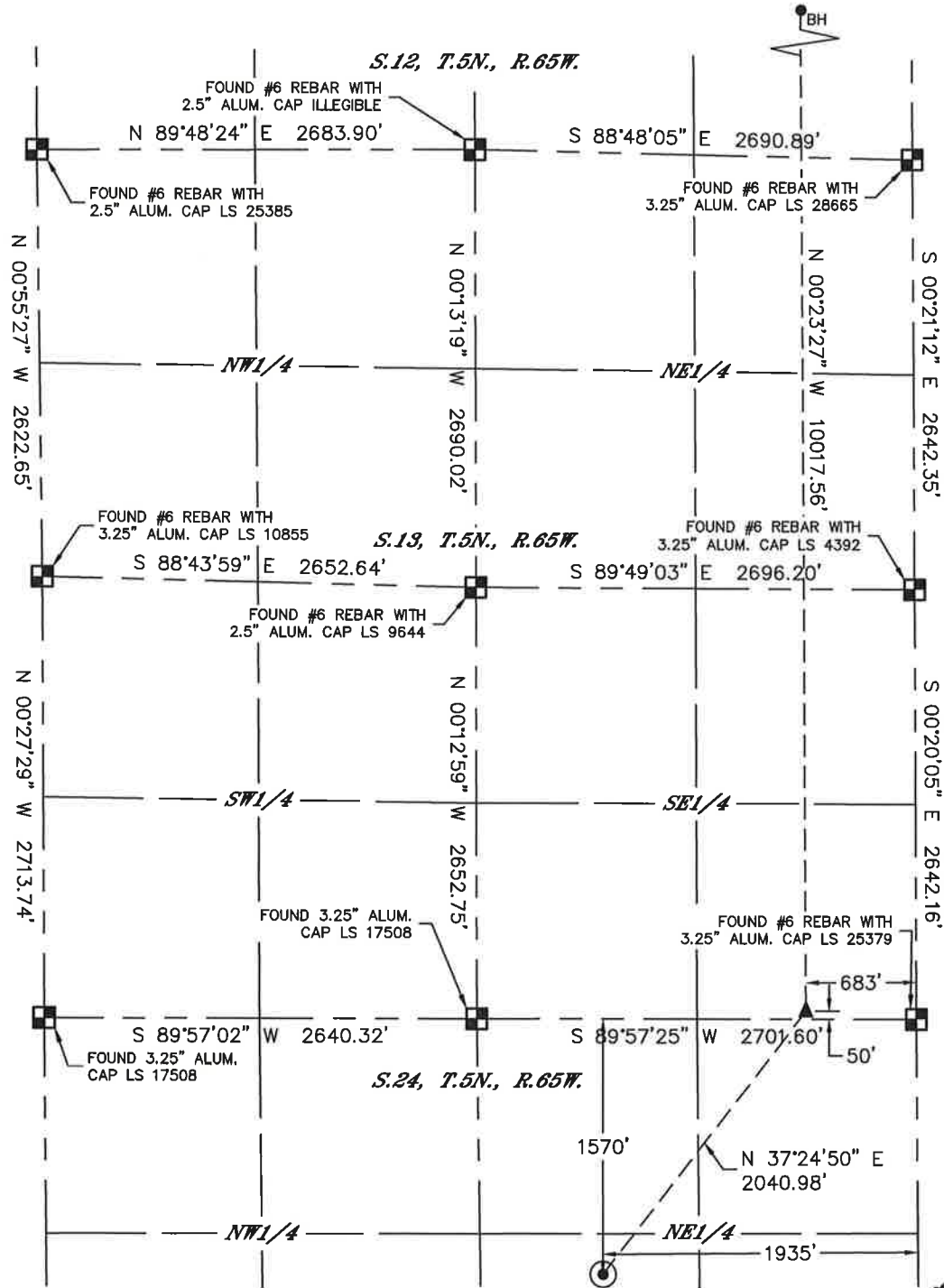


Lat40°, Inc. 6250 W. 10th Street, Unit 2, Greeley, CO 970-515-5294

# WELL LOCATION CERTIFICATE

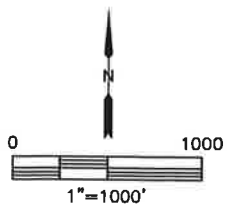
**SANDIN 24C-221**

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



### LEGEND

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- ⊖ = ABANDONED WELL



**SHEET 2 OF 3**  
 Brian T. Brinkman—On behalf of Lat40, Inc.  
 Colorado Licensed Professional Land Surveyor No. 38175  
 DATE: 6/5/2017  
 PROJECT#: 2016077

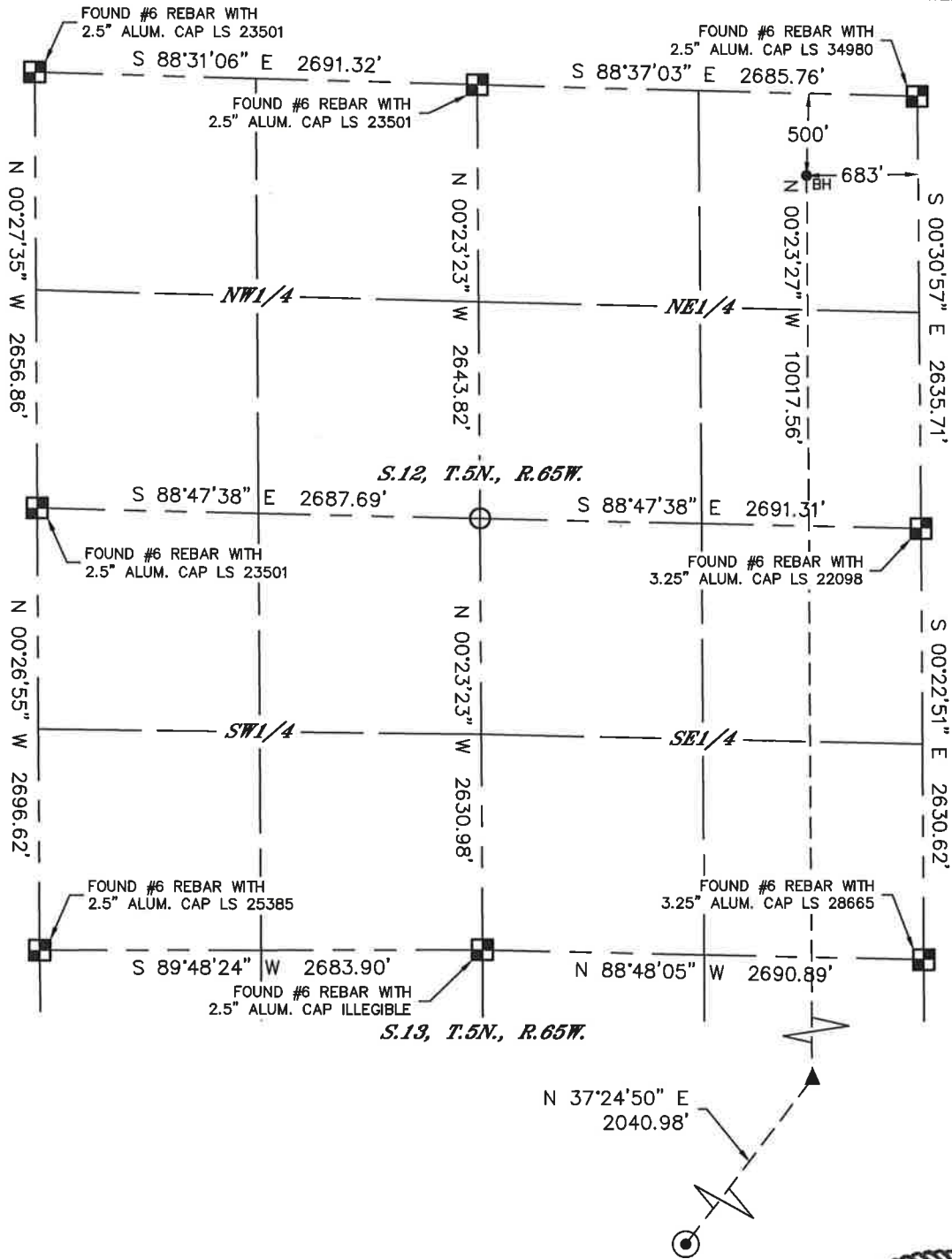


Lat40°, Inc. 6250 W. 10th Street, Unit 2, Greeley, CO 970-515-5294

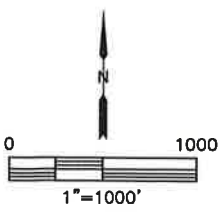
# WELL LOCATION CERTIFICATE

## SANDIN 24C-221

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



- LEGEND**
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**SHEET 3 OF 3**  
 Brian T. Brinkman—On behalf of Lat40°, Inc.  
 Colorado Licensed Professional Land Surveyor No. 38175 DATE: 6/5/2017 PROJECT#: 2016077

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

IN THE MATTER OF THE APPLICATION OF ) CAUSE NO.  
THE PROMULGATION AND ESTABLISHMENT )  
OF FIELD RULES TO GOVERN OPERATIONS ) DOCKET NO. 180100101  
FOR THE NIOBRARA FORMATION, )  
WATTENBERG FIELD, WELD COUNTY, ) TYPE: POOLING  
COLORADO )

CERTIFICATE OF SERVICE

Courtney M. Shephard, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for PDC Energy, Inc., and that on December 4, 2017, she caused a copy of the Application submitted to COGCC on November 30, 2017, to be deposited in the United States Mail, postage prepaid, addressed to the interested parties listed on Exhibit A to the Application.

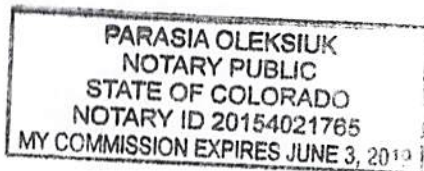
By: Courtney M. Shephard  
Courtney M. Shephard, Esq.  
License #47668

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

STATE OF COLORADO )  
 ) SS.  
COUNTY OF ARAPAHOE )

Subscribed and sworn to before me this 7<sup>th</sup> day of December, 2017.

My commission expires: 06-03-2019



[Signature]