

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

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

APPLICATION

PDC Energy, Inc. (Operator No. 69175) ("PDC" or "Applicant"), 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 to: establish an approximate 1,280-acre drilling and spacing unit for the Application Lands for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations, and approve up to fourteen (14) horizontal wells drilled from a maximum of two (2) well pads for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations on the following described lands:

Township 3 North, Range 66 West, 6th P.M.

Section 1: All

Section 12: All

Weld County, Colorado (containing a total of approximately 1,280 acres)

Referred to herein as the "Application Lands." A reference map depicting the Application Lands is attached hereto and marked as Exhibit B.

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. 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. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, 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,

among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara formations.

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. The Application Lands currently contain forty-five wells designated as producing, shut in, or temporarily abandoned, according to COGIS records, and a list of these wells is attached as Exhibit C ("Existing Wells"). PDC excludes from this Application all Existing Wells located on the Application Lands as of the date of this Application, to the extent they are still producing, and asserts that the production and payments from the Existing Wells should be maintained under the authority of all applicable Commission rules and orders.

6. The proposed approximate 1,280-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells.

7. PDC requests that the Commission approve the development of up to fourteen (14) horizontal wells in the proposed approximate 1,280-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara formations. The proposed wells will be drilled from surface locations described in Rule 318A or on other lands with consent of the landowner, unless an exception is granted by the Director. The wells will be stacked by formation to comply with the minimum distances from the outer boundaries of the proposed drilling and spacing unit and from any other well producing from the Codell and Niobrara formations.

8. Applicant states that, for any permitted wells to be drilled under this Application, the productive intervals of the wellbores shall be no less than 460 feet from the east and west unit boundaries, and no less than 150 feet from the north and south unit boundaries. Applicant further states that the interwell setbacks shall be no less than 150 feet from the productive interval of any other well producing from the Niobrara and Codell formations, unless an exception is granted by the Director.

9. The proposed wells shall be drilled from a maximum of two (2) well pads located within the approximate 1,280-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

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

11. 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.

12. The names of the interested parties, according to PDC's information and belief, are set forth in the attached Exhibit A, and the undersigned certifies that copies of this Application will be served on each interested party at least thirty-five (35) days in advance of any Commission hearing at which the matter will first be heard, pursuant to Rule 507.

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 to:

- A. Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands and approve up to fourteen (14) horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations;
- B. Require the productive interval of the wellbore of any permitted wells in the unit to be located no closer than 460 feet from the east and west unit boundaries, and no closer than 150 feet from the north and south unit boundaries;
- C. Require that the productive interval of the wellbore of any permitted wells in the unit be located no closer than 150 feet from the productive interval of any other wellbore located in the unit; and
- D. Provide that the wells shall be drilled from a maximum of two (2) well pads within the unit subject to Rule 318A or on adjacent lands, unless an exception is granted by the Director.

[SIGNATURE ON FOLLOWING PAGE]

DATED this 17th day of January, 2018.

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.
CITY AND 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 for PDC Energy, Inc., whose address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.

2. He has read the within 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.

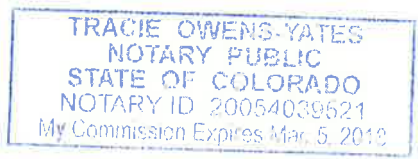
Further Affiant sayeth not.



Daniel R. McCoy

Subscribed and sworn to before me this 14th day of January, 2018.

Witness my hand and official seal.
My commission expires: 3/5/2018






Exhibit A

Interested Party List
Spacing Application

Township 3 North, Range 66 West, 6th P.M.

Section 1: All

Section 12: All

PDC Energy, Inc.	Weld County Department of Planning Services
Colorado Parks and Wildlife	Colorado Department of Public Health & Environment
Christopher Edwards	Madant Energy, LLC
Robert B. Tenison	Tenison Oil Trust
Robert C. Newman Oil, LLC	Foster Dennis
Clyde L. Raisley & Cornelia E. Raisley	

Exhibit B

Reference Map of Application Lands



Exhibit C

Existing Wells on Application Lands

<i>API</i>	<i>Well Name</i>	<i>Operator</i>	<i>Status</i>	<i>Well Location</i>	<i>Scout Card Order Information</i>
05-123-15721	BRATTAIN L12-1J	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 CNE 12 3N 66W 6	407-95; 407-125
05-123-20965	BRATTAIN L 12-1Ji	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NENE 12 3N 66W 6	Rule 318A
05-123-21547	BRATTAIN L 12-3Ji	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENW 12 3N 66W 6	Rule 318A
05-123-15705	BELL L12-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 12/14/2009	WELD 123 NENW 12 3N 66W 6	none
05-123-20437	BRATTAIN L 12-02Ji	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 8/7/2001	WELD 123 NWNE 12 3N 66W 6	407-87; Rule 318A
05-123-19758	BRATTAIN L 12-4 JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 12 3N 66W 6	407-95; 232-23
05-123-20979	BRATTAIN L 12-10Ji	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 12 3N 66W 6	407-95; Rule 318A
05-123-19646	BRATTAIN L 12-12Ji	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 NWSW 12 3N 66W 6	Rule 318A
05-123-20477	BRATTAIN L 12-8Ji	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 1/1/2017	WELD 123 SENE 12 3N 66W 6	407-95; Rule 318A

05-123-19775	BRATTAIN L 12-6JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENW 12 3N 66W 6	407-87; 232-23
05-123-15852	BELL L12-22	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 7/11/201 4	WELD 123 SWNE 12 3N 66W 6	407-95
05-123-21541	BRATTAIN L 12-7 JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 12 3N 66W 6	Rule 318A
05-123-20951	BRATTAIN L 12-5JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 12 3N 66W 6	Rule 318A
05-123-15707	BELL L12-5	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 3/1/2016	WELD 123 SWNW 12 3N 66W 6	407-95
05-123-19673	BRATTAIN L 12-15D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 12 3N 66W 6	Rule 318A
05-123-07344	BRATTAIN 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 4/15/201 4	WELD 123 SWSW 12 3N 66W 6	None
05-123-16092	LUDWIG UPRR 41-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 1 3N 66W 6	232-23; 407-87; Rule 318A
05-123-22656	LUDWIG 17-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 1 3N 66W 6	232-23; 407-87
05-123-15098	HSR- KLETTER 3-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/201 7	WELD 123 NENW 1 3N 66W 6	232-23; 407-87
05-123-15099	HSR- SMOWE 9-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 10/1/201 7	WELD 123 NESE 1 3N 66W 6	407-87; 493-2; Rule 318A

05-123-15137	HSR-SHAPIRO 11-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 3/1/2017	WELD 123 NESW 1 3N 66W 6	407-87; 232-23
05-123-16863	HSR-PEASLEE 11-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 1 3N 66W 6	499-15; 407-87
05-123-12698	WENINGER UPRR 31-1#1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 1 3N 66W 6	232-23
05-123-23937	LUDWIG 27-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 1 3N 66W 6	Rule 318A
05-123-23847	LUDWIG 31-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 3/1/2017	WELD 123 NWNW 1 3N 66W 6	Rule 318A
05-123-30698	LUDWIG 30-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 NWNW 1 3N 66W 6	407-87
05-123-15147	HSR-IRWIN 4-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 3/1/2017	WELD 123 NWNW 1 3N 66W 6	232-23; 407-87
05-123-16862	HSR-PHIPPS 10-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 10/1/2017	WELD 123 NWSE 1 3N 66W 6	407-87; 499-15
05-123-15192	HSR-JACKSON 10-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NWSE 1 3N 66W 6	407-87
05-123-24098	ROCKY MOUNTAIN 33-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 NWSW 1 3N 66W 6	Rule 318A
05-123-22508	LUDWIG 24-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 9/1/2017	WELD 123 SENE 1 3N 66W 6	232-23; 407-87

05-123-22443	LUDWIG 18-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 10/1/201 7	WELD 123 SENW 1 3N 66W 6	232-23; 407-87
05-123-15145	HSR-HAYES 6-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENW 1 3N 66W 6	232-23; 407-87
05-123-23846	LUDWIG 25-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENW 1 3N 66W 6	232-23; Rule 318A
05-123-23845	LUDWIG 22-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENW 1 3N 66W 6	Rule 318A
05-123-24263	ROCKY MOUNTAIN 37-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 1 3N 66W 6	407-87
05-123-15101	HSR- KATZEN 16-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 1 3N 66W 6	232-23; 407-87
05-123-15143	HSR- BROWN 14-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 3/1/2017	WELD 123 SESW 1 3N 66W 6	232-23; 407-87
05-123-30700	ROCKY 23-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 SESW 1 3N 66W 6	407-87
05-123-24087	LUDWIG 21-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 8/1/2017	WELD 123 SWNE 1 3N 66W 6	232-23; Rule 318A
05-123-14487	LUDWIG UPRR 32-1 2A	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 10/1/201 7	WELD 123 SWNE 1 3N 66W 6	Rule 318A
05-123-15144	HSR- BAINES 5-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 1 3N 66W 6	232-23; 407-87

05-123-15146	HSR-EASLEY 15-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 3/1/2017	WELD 123 SWSE 1 3N 66W 6	232-23; 407-87
05-123-15191	HSR-PHILLIPS 13-1A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 SWSW 1 3N 66W 6	407-87; Rule 318A
05-123-29152	LUDWIG 13-1HZ	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 SWSW 1 3N 66W 6	407-87

