

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

IN THE MATTER OF AN APPLICATION BY SRC ENERGY INC. FOR AN ORDER POOLING ALL INTERESTS IN TWO APPROXIMATE 560-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS ESTABLISHED FOR CERTAIN PORTIONS OF SECTIONS 15, 16, AND 17, TOWNSHIP 6 NORTH, RANGE 66 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

SRC Energy Inc. (Operator No. 10311) ("SRC" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests in two (2) approximate 560-acre horizontal wellbore spacing units established for certain portions of Sections 15, 16, and 17, Township 6 North, Range 66 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. 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 has registered as an operator with the Commission.

2. Applicant owns a leasehold interest in the below-listed lands:

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

Section 15: S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$

Section 16: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 17: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{2}$ SE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") Nos. 1 and 2
560 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. Upon information and belief, Applicant designated four (4) approximate 560-acre horizontal wellbore spacing units comprised of the Application Lands, for the below-described wells, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations. Applicant notified all owners in the proposed wellbore spacing units pursuant to Rule 318A.e.(5). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing units within the 30-day response period:

a. Harvesters State 32C-16-M2 (API No. to be assigned) - Codell Formation - WSU #1

b. Harvesters State 32N-16C-M (API No. to be assigned) - Niobrara Formation - WSU #2

These wells are hereinafter referred to as the "Subject Wells."

6. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in WSU Nos. 1 and 2 established for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

7. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells within WSU Nos. 1 and 2.

8. Further, Applicant requests that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Wells, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells.

9. The granting of this 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 requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

11. The undersigned certifies that copies of this 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. Pooling all interests in WSU Nos. 1 and 2 established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the earlier of the date of this Application, or the date that the

costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells within WSU Nos. 1 and 2.

B. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Wells, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells.

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

DATED this 17th day of January, 2018.

Respectfully submitted,

SRC ENERGY INC.

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VERIFICATION

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

Matt Johnson, Senior Landman for SRC Energy Inc., 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.

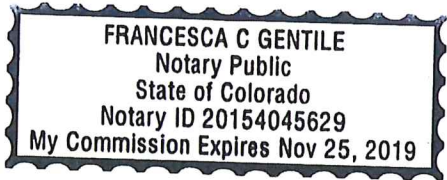
SRC ENERGY INC.



Matt Johnson

Subscribed and sworn to before me this 15 day of January, 2018,
by Matt Johnson, Senior Landman for SRC Energy Inc.

Witness my hand and official seal.

My commission expires: 11/25/2019





Notary Public

Exhibit A

Reference Map for Pooling Application

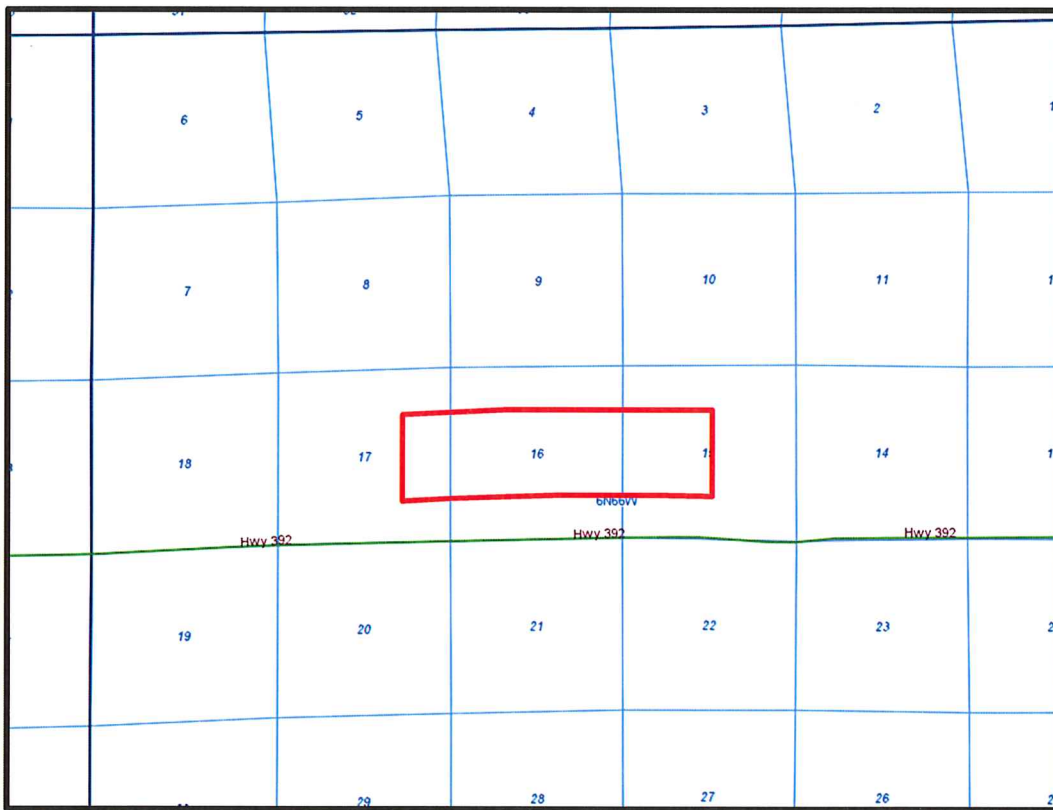
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Wellbore Spacing Unit ("WSU") Nos. 1 and 2
560 acres, more or less, Weld County, Colorado



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