

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 1,920-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 twenty-two (22) horizontal wells drilled from a maximum of three (3) 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, 6<sup>th</sup> P.M.

Section 2: All  
Section 3: E½  
Section 10: E½  
Section 11: All

Weld County, Colorado (containing a total of approximately 1,920 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 eighty-one 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 1,920-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 twenty-two (22) horizontal wells in the proposed approximate 1,920-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 three (3) well pads located within the approximate 1,920-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 1,920-acre drilling and spacing unit for the Application Lands and approve up to twenty-two (22) 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 three (3) well pads within the unit subject to Rule 318A or on adjacent lands, unless an exception is granted by the Director.

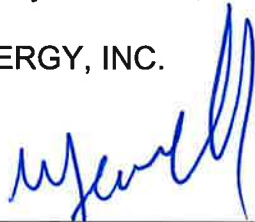
[SIGNATURE ON FOLLOWING PAGE]

DATED this 18th day of January, 2018.

Respectfully submitted,

PDC ENERGY, INC.

By: \_\_\_\_\_

A handwritten signature in blue ink, appearing to read "M. Jewell", is written over a horizontal line.

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 18<sup>th</sup> day of January, 2018.

Witness my hand and official seal.  
My commission expires: Nov. 20 2020

MEGAN GUNNUFSON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20084036848  
MY COMMISSION EXPIRES NOVEMBER 20, 2020

  
\_\_\_\_\_  
Megan Gunnufson

Exhibit A

Interested Party List  
Spacing Application

Township 3 North, Range 66 West, 6<sup>th</sup> P.M.

Section 2: All

Section 3: E $\frac{1}{2}$

Section 10: E $\frac{1}{2}$

Section 11: All

PDC Energy, Inc.	Weld County Department of Planning Services
Colorado Parks and Wildlife	Colorado Department of Public Health & Environment

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>
05-123-21295	BARCLAY 13-2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 CSW 2 3N 66W 6	407-87
05-123-16953	MILE HIGH TURKEY 2-1K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 2 3N 66W 6	407-87
05-123-15938	HSR- FREELAND 3-2 A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENW 2 3N 66W 6	232-23
05-123-21279	BARCLAY FARMS L 2-9 JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 2 3N 66W 6	Rule 318A
05-123-16122	BARCLAY 2-9	PDC ENERGY INC 69175	PR 1/1/1996	WELD 123 NESE 2 3N 66W 6	407-87
05-123-15871	HSR- HENDERSO N 11-2A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 2 3N 66W 6	232-23; 407-87
05-123-14964	MILE HIGH TURKEY 2-2K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 2 3N 66W 6	407-87
05-123-15939	HSR- FROMHOLZ 4-2A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 2 3 N 66W 6	232-23
05-123-23355	MILE HIGH 30-2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 2 3 N 66W 6	407-87
05-123-23354	MILE HIGH 31-2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 9/1/2017	WELD 123 NWNW 2 3 N 66W 6	407-87



05-123-16087	BARCLAY 2-10	PDC ENERGY INC 69175	PR 3/13/1996	WELD 123 NWSE 2 3N 66W 6	407-87
05-123-15872	HSR HORNING 12-2X	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 4/27/1999	WELD 123 NWSE 2 3N 66W 6	407-87
05-123-16954	MILE HIGH TURKEY 2-8K	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 8/14/2008	WELD 123 SENE 2 3N 66W 6	407-87
05-123-25934	BUTTERBAL L L 2-17	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 11/1/2017	WELD 123 SENE 2 3N 66W 6	407-87
05-123-31771	BARCLAY L 02-22	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 SENE 2 3N 66W 6	232-23; 407-87
05-123-17075	HSR- HAMMER 6-2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENE 2 3N 66W 6	232-23; 407-87
05-123-16020	BARCLAY 2-16K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 SESE 2 3N 66W 6	407-87; 499-15
05-123-22143	BARCLAY FARMS L 02-16JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 SESE 2 3N 66W 6	232-23; 407-87
05-123-15874	HSR- KENNEDY 14-2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESW 2 3N 66W 6	23-23; 407-87
05-123-16691	BOWEN 2-7	PDC ENERGY INC 69175	PR 2/1/2011	WELD 123 SWNE 2 3N 66W 6	407-87
05-123-15878	HSR- GRIFFITH 5-2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 2 3N 66W 6	232-23; 407-87; 407-15
05-123-22507	GRAZNAK 5-2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 2 3N 66W 6	232-23; 407-87

05-123-30796	BARCLAY FARMS L 11-27D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 2 3N 66W 6	232-23; 407-87
05-123-15782	BARCLAY 2-15	PDC ENERGY INC 69175	PR 8/10/2017	WELD 123 SWSE 2 3N 66W 6	407-87
05-123-21280	BARCLAY FARMS L 2-15 JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 SWSE 2 3N 66W 6	Rule 318A
05-123-07756	JAMES S BARCLAY 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSW 2 3N 66W 6	None
05-123-15873	HSR- KELLER 13-2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSW 2 3N 66W 6	407-87
05-123-12681	WEBBER- UPRR 41-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 9/1/2017	WELD 123 NENE 3 3N 66W 6	None
05-123-14769	WEBBER UPRR 42-3 (3)	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 SENE 3 3N 66W 6	None
5-123-13095	WEBBER UPRR 32-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 9/1/2017	WELD 123 SWNE 3 3N 66W 6	None
05-123-15950	HSR- EDDINGTON 9-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 1/10/1995	WELD 123 NESE 3 3N 66W 6	407-87
05-123-23284	WEBBER 9-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 3 3N 66W 6	407-87
5-123-23281	WEBBER 24-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 NESE 3 3N 66W 6	407-87
05-123-17076	HSR- LILLEVAND 10-3	KERR MCGEE OIL & GAS	SI 5/1/2017	WELD 123 NWSE 3 3N 66W 6	232-23; 407-87

		ONSHORE LP 47120			
5-123- 15951	HSR-LOMAX 16-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 8/1/2017	WELD 123 SESE 3 3N 66W 6	232-23; 407-87
05-123- 15952	HSR-LOGAN 15-3A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 3 3N 66W 6	232-23
05-123- 16114	WEBBER 31-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNE 3 3N 66W 6	407-87
05-123- 23266	WEBBER 17-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNE 3 3N 66W 6	407-87
05-123- 15984	HSR- MONTROYA 1-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 10 3N 66W 6	232-23; 407- 87; 493-2
05-123- 24601	HERRMAN 21-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNE 10 3 N 66W 6	Rule 318A
05-123- 15785	HSR- MAYNE 2-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNE 10 3 N 66W 6	407-87; 232-23
05-123- 15786	HSR- MILLER 7-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 10 3N 66W 6	232-23
05-123- 15983	HSR- ALBERTO 8-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 2/22/2012	WELD 123 SENE 10 3N 66W 6	407-87
05-123- 16244	HSR- CAFFERTA 9-10A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 10 3N 66W 6	407-87; Rule 318A
05-123- 24730	MORNING 39-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 3/1/2017	WELD 123 NESE 10 3N 66W 6	Rule 318A

05-123-29804	MORNING 24-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 10 3N 66W 6	407-87
05-123-29805	MORNING 25-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 10 3N 66W 6	407-87
05-123-16197	HSR-BONN 16-10A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 10 3N 66W 6	232-23; 407-87
05-123-15304	FOUR RAITH UNIT 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 SWSE 10 3N 66W 6	232-23; 407-87
05-123-16736	PLUSS L 11-1J	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 8/1/2017	WELD 123 NENE 11 3N 66W 6	232-23; 407-87
05-123-20949	PLUSS L 11-1JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 6/8/2005	WELD 123 NENE 11 3N 66W 6	407-87; Rule 318A
05-123-26774	BELL L 12-30	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 11 3N 66W 6	232-23; 407-87
05-123-22967	PLUSS L 11-3JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 11/4/2005	WELD 123 NENW 11 3 N 66W 6	232-23
05-123-14690	PLUSS L11-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENW 11 3 N 66W 6	None
05-123-15680	HSR- THOMPSON 9-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 NESE 11 3N 66W 6	232-23; 407-87
05-123-29585	GRAZNAK 39-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 NESE 11 3N 66W 6	407-87

05-123-29575	GRAZNAK 40-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 NESE 11 3N 66W 6	407-87
05-123-22353	PENTON 23-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2017	WELD 123 NESW 11 3N 66W 6	232-23; 407-87
05-123-15696	HSR- WALKER 11-11 A	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 8/1/2017	WELD 123 NESW 11 3N 66W 6	232-23
05-123-13096	HATCH UPRR 31-11#3	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 11 3 N 66W 6	None
05-123-23059	Pluss L 11-02Ji	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 11 3 N 66W 6	232-23
05-123-14691	PLUSS L11-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 11 3 N 66W 6	493-2
05-123-15875	HSR- RAGAZZI 10-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 NWSE 11 3N 66W 6	407-87
05-123-22150	GRAZNAK 10-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 NWSE 11 3N 66W 6	407-87
05-123-15661	HSR- HUNTER 12-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSW 11 3 N 66W 6	407-87
05-123-29592	GRAZNAK 32-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 NWSW 11 3 N 66W 6	407-87
05-123-29594	GRAZNAK 35-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 NWSW 11 3 N 66W 6	407-87

05-123-12780	HATCH-UPRR 42-11 #1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENE 11 3N 66W 6	None
05-123-14730	PLUSS L 11-6	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 2/1/2014	WELD 123 SENE 11 3N 66W 6	232-23; 407-87; Rule 318A
05-123-16142	PLUSS L 11-2D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENE 11 3N 66W 6	232-23; 493-2
05-123-30753	PLUSS L 11-20D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENE 11 3N 66W 6	232-23; 407-87
05-123-31030	PLUSS L 11-18	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENE 11 3N 66W 6	232-23; 407-87
05-123-15683	HSR-RABIN 16-11A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 SESE 11 3N 66W 6	232-23; 407-87
05-123-15695	HSR-ROSSEN 14-11A	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 9/1/2017	WELD 123 SESE 11 3N 66W 6	Rule 318A
05-123-23333	GRAZNAK 19-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 SESE 11 3N 66W 6	407-87
05-123-23223	MILE HIGH 24-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 11 3N 66W 6	407-87
05-123-15999	HATCH 32-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 11 3N 66W 6	407-87
05-123-21206	PLUSS L 11-05JI	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 11 3 N 66W 6	407-87; Rule 318A

05-123-15682	HSR-HOWARD 15-11A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 SWSE 11 3N 66W 6	232-23; 407-87
05-123-29576	GRAZNAK 37-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 SWSE 11 3N 66W 6	407-87
05-123-15662	HSR-KILDALL 13-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 11/1/2017	WELD 123 SWSW 11 3 N 66W 6	232-23; 407-87



