

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 2,240-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-seven (27) 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 4 North, Range 66 West, 6th P.M.

Section 32: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 33: All

Section 34: All

Section 35: All

Weld County, Colorado (containing a total of approximately 2,240 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. On November 7, 2011, the Commission entered Order No. 407-492, which, among other things, established an approximate 399.38-acre wellbore spacing unit for the Tanner Federal K33-65HN well (API No. 05-123-33702)¹ consisting of Section 33: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ and Section 34: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, Township 4 North, Range 66 West 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara formation. PDC excludes from this Application the Tanner Federal K33-65HN well created by Order No. 407-492, and asserts that the production and payments from the Tanner Federal K33-65HN well should be maintained under the authority of Order No. 407-492 and other applicable Commission orders and rules.

6. The Application Lands currently contain seventy-four 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.

7. The proposed approximate 2,240-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells.

8. PDC requests that the Commission approve the development of up to twenty-seven (27) horizontal wells in the proposed approximate 2,240-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.

¹ Order No. 407-492 lists an incorrect API No. for this well and a different well name. For this Application, PDC used the current Scout Card information in the COGIS database.

9. Applicant states that, for any permitted wells to be drilled under this Application, the productive intervals of the wellbores shall be no less than 150 feet from the east and west unit boundaries, and no less than 460 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.

10. The proposed wells shall be drilled from a maximum of two (2) well pads located within the approximate 2,240-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

11. 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.

12. 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.

13. 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 2,240-acre drilling and spacing unit for the Application Lands and approve up to twenty-seven (27) 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 150 feet from the east and west unit boundaries, and no closer than 460 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.

DATED this 18th 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 18th day of January, 2018.

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

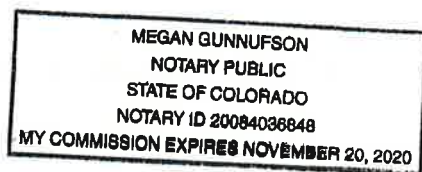




Exhibit A

Interested Party List
Spacing Application

Township 4 North, Range 66 West, 6th P.M.

Section 32: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 33: All

Section 34: All

Section 35: All

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

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>
5-123-15575	AGRICULTURAL PROD INC 32-1F	NOBLE ENERGY INC 100322	SI 3/1/2017	WELD 123 NENE 32 4N 66W 6	None
05-123-15576	AGRICULTURAL PROD INC 32-2F	NOBLE ENERGY INC 100322	SI 3/1/2017	WELD 123 NWNE 32 4N 66W 6	None
05-123-21705	AGRICULTURAL PROD FEDERAL 32-17	NOBLE ENERGY INC 100322	SI 7/1/2017	WELD 123 SWNE 32 4N 66W 6	407-87
05-123-18646	FRANK 32-24	PDC ENERGY INC 69175	PR 10/1/2017	WELD 123 SENE 32 4N 66W 6	None
05-123-14490	GLEN 44-32	PDC ENERGY INC 69175	PR 4/1/2013	WELD 123 SESE 32 4N 66W 6	None
05-123-24549	FLOYD 5	PDC ENERGY INC 69175	PR 9/1/2017	WELD 123 SESE 32 4N 66W 6	407-87
05-123-40091	Tarin Federal 32Y-404	PDC ENERGY INC 69175	PR 10/1/2016	WELD 123 SESE 32 4N 66W 6	None
05-123-40092	Tarin Federal 32W-434	PDC ENERGY INC 69175	PR 10/1/2016	WELD 123 SESE 32 4N 66W 6	None
05-123-40093	Tarin Federal 32X-204	PDC ENERGY INC 69175	PR 10/1/2016	WELD 123 SESE 32 4N 66W 6	None
05-123-40094	Tarin Federal 32Y-314	PDC ENERGY INC 69175	PR 10/1/2016	WELD 123 SESE 32 4N 66W 6	None
05-123-40095	Tarin Federal 32W-234	PDC ENERGY INC 69175	PR 10/1/2016	WELD 123 SESE 32 4N 66W 6	None
05-123-40096	Tarin Federal 32X-314	PDC ENERGY INC 69175	PR 10/1/2016	WELD 123 SESE 32 4N 66W 6	None

05-123-40097	Tarin Federal 32Y-214	PDC ENERGY INC 69175	PR 10/1/2016	WELD 123 SESE 32 4N 66W 6	None
05-123-40098	TARIN FEDERAL 32X-334	PDC ENERGY INC 69175	PR 10/1/2016	WELD 123 SESE 32 4N 66W 6	None
05-123-13001	SWEET VALLEY FARMS- UPRR 41-33	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 NENE 33 4N 66W 6	None
05-123-15457	UPRC FEDERAL 33-3F	NOBLE ENERGY INC 100322	PR 11/1/2017	WELD 123 NENW 33 4N 66W 6	None
05-123-15133	WEBER K 33-9	NOBLE ENERGY INC 100322	SI 4/1/2017	WELD 123 NESE 33 4N 66W 6	None
05-123-15127	TANNER K 33-11	NOBLE ENERGY INC 100322	PR 6/7/2010	WELD 123 NESW 33 4N 66W 6	407-87
05-123-14804	SWEET VALLEY FARMS UPRR 31-33 2	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 8/1/2017	WELD 123 NWNW 33 4N 66W 6	None
05-123-16374	UPRC FEDERAL 33-4F	NOBLE ENERGY INC 100322	SI 9/1/2017	WELD 123 NWNW 33 4N 66W 6	None
05-123-15134	WEBER K 33-10	NOBLE ENERGY INC 100322	SI 4/1/2017	WELD 123 NWSE 33 4N 66W 6	None
05-123-33702	TANNER FEDERAL K33-65HN	NOBLE ENERGY INC 100322	PR 11/10/201 1	WELD 123 NWSW 33 4N 66W 6	407-87
05-123-15421	UPRC 33-8F	NOBLE ENERGY INC 100322	SI 5/1/2017	WELD 123 SENE 33 4N 66W 6	None
05-123-15458	UPRC FEDERAL 33-6F	NOBLE ENERGY INC 100322	PR 11/1/2017	WELD 123 SENE 33 4N 66W 6	None
05-123-15481	BRUZEWSKI 33-16F	NOBLE ENERGY INC 100322	SI 6/1/2017	WELD 123 SESE 33 4N 66W 6	None

05-123-15132	TANNER K 33-14	NOBLE ENERGY INC 100322	PR 10/19/199 1	WELD 123 SESW 33 4N 66W 6	407-87
05-123-15422	UPRC 33-7F	NOBLE ENERGY INC 100322	SI 5/1/2017	WELD 123 SWNE 33 4N 66W 6	None
05-123-16375	UPRC FEDERAL 33-5K	NOBLE ENERGY INC 100322	SI 3/1/2017	WELD 123 SOWNW 33 4N 66W 6	None
05-123-23446	HUNT K FEDERAL 33-19	NOBLE ENERGY INC 100322	SI 9/1/2017	WELD 123 SOWNW 33 4N 66W 6	407-87
05-123-16988	BRUZEWSKI 33-15F(2)	NOBLE ENERGY INC 100322	SI 6/1/2017	WELD 123 SWSE 33 4N 66W 6	None
05-123-08553	SARATOGA 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 SWSW 33 4N 66W 6	407-87
05-123-15030	WILLIAMS 41-34-1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 6/1/2017	WELD 123 NENE 34 4N 66W 6	407-87
05-123-16599	HSR- CARRICO 3-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NENW 34 4N 66W 6	None
05-123-17889	HSR- FRAHM 9-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2016	WELD 123 NESE 34 4N 66W 6	None
05-123-22398	SHUTT 24-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2017	WELD 123 NESE 34 4N 66W 6	407-87

05-123-15520	SANDAU 34-11F	NOBLE ENERGY INC 100322	SI 4/1/2017	WELD 123 NESW 34 4N 66W 6	None
05-123-32341	PIERSON 18-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NWNE 34 4N 66W 6	232-23; 407-87
05-123-32348	PIERSON 22-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NWNE 34 4N 66W 6	232-23; 407-87
05-123-32351	PIERSON 29-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NWNE 34 4N 66W 6	232-23; 407-87
05-123-16598	HSR- SCHMID 2-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NWNE 34 4N 66W 6	None
05-123-22605	SHUTT 20-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2017	WELD 123 NWSE 34 4N 66W 6	407-87
05-123-16649	HSR- DIEFENBAC H 10-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 NWSE 34 4N 66W 6	232-23
05-123-15521	SANDAU 34-12F	NOBLE ENERGY INC 100322	SI 4/1/2017	WELD 123 NWSW 34 4N 66W 6	None
05-123-16096	WILLIAMS 42-34	KERR MCGEE OIL & GAS ONSHORE	SI 5/1/2017	WELD 123 SENE 34 4N 66W 6	None

		LP 47120			
05-123- 16600	HSR-COLE 6-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 SENW 34 4N 66W 6	None
05-123- 16209	HSR- FRENCH 16-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2017	WELD 123 SESE 34 4N 66W 6	None
05-123- 16270	SANDAU 24-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESW 34 4N 66W 6	None
05-123- 16601	HSR- BURMESTE R 7-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 SWNE 34 4N 66W 6	None
05-123- 15417	HEITMAN K34-5	NOBLE ENERGY INC 100322	SI 4/1/2017	WELD 123 SWNW 34 4N 66W 6	None
05-123- 16650	HSR- ENGSTROM 15-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 10/1/2016	WELD 123 SWSE 34 4N 66W 6	None
05-123- 14758	BERIG UPRR 41-35 #2	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 2/21/2004	WELD 123 NENE 35 4N 66W 6	None
05-123- 15323	UPRC 35-3F	NOBLE ENERGY INC 100322	SI 11/1/2017	WELD 123 NENW 35 4N 66W 6	None

05-123-23399	MARGHEIM 24-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 35 4N 66W 6	407-87
05-123-12544	UPRR 21 PAN AM "K" 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 NESW 35 4N 66W 6	None
05-123-22583	BERIG 17-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNE 35 4N 66W 6	232-23; 407-87
05-123-15344	UPRC 35-4F	NOBLE ENERGY INC 100322	SI 11/1/2017	WELD 123 NWNW 35 4N 66W 6	None
05-123-38236	Peppler K26-79-1HN	NOBLE ENERGY INC 100322	PR 5/20/2014	WELD 123 NWNW 35 4N 66W 6	None
05-123-38237	Peaks K26-78-1HN	NOBLE ENERGY INC 100322	PR 8/20/2014	WELD 123 NWNW 35 4N 66W 6	None
05-123-38238	Peaks K26-77-1HN	NOBLE ENERGY INC 100322	PR 5/21/2014	WELD 123 NWNW 35 4N 66W 6	None
05-123-24047	LORENZ 23-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 35 4N 66W 6	Rule 318A
05-123-16072	HSR- THOMAS 10-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 35 4N 66W 6	None
05-123-16073	HSR-TRAIN 12-35	KERR MCGEE OIL & GAS ONSHORE	SI 5/1/2017	WELD 123 NWSW 35 4N 66W 6	None

		LP 47120			
05-123-12700	BIERIG-UPRR 42-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENE 35 4N 66W 6	None
05-123-16345	UPRC 35-6F	NOBLE ENERGY INC 100322	SI 4/1/2017	WELD 123 SENW 35 4N 66W 6	None
05-123-26426	UPRC K 35-19	NOBLE ENERGY INC 100322	SI 4/1/2017	WELD 123 SENW 35 4N 66W 6	407-87
05-123-22581	LORENZ 16-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 35 4N 66W 6	232-23; 407-87
05-123-24043	LORENZ 39-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 35 4N 66W 6	Rule 318A
05-123-16077	HSR-BOB 16-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 11/1/2017	WELD 123 SESE 35 4N 66W 6	None
05-123-22983	LORENZ 14-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESW 35 4N 66W 6	232-23; 407-87
05-123-16360	HSR-BIG GEORGE 14-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 SESW 35 4N 66W 6	None

05-123-16164	JOHNSON 32-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 35 4N 66W 6	None
05-123-16344	UPRC 35-5F	NOBLE ENERGY INC 100322	SI 4/1/2017	WELD 123 SWNW 35 4N 66W 6	None
05-123-16076	HSR- BANCROFT 15-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 35 4N 66W 6	None
05-123-16074	HSR- BACANSKAS 13-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSW 35 4N 66W 6	None

