

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 pooling all interests within an approximate 640-acre Wellbore Spacing Unit, as further defined below, for the drilling of the Fern 11U-204 well (API No. 05-123-44586) ("Well"), for the development of the Niobrara formation on the following described lands:

Township 5 North, Range 65 West, 6th P.M.

Section 2: SW¹/₄SW¹/₄

Section 3: S¹/₂S¹/₂

Section 4: S¹/₂SE¹/₄, SE¹/₄SW¹/₄

Section 9: N¹/₂NE¹/₄, NE¹/₄NW¹/₄

Section 10: N¹/₂N¹/₂

Section 11: NW¹/₄NW¹/₄

Weld County, Colorado, containing approximately 640.00 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 January 26, 2012, the Commission entered Order No. 407-544, which, among other things, pooled all non-consenting interests in a 160-acre wellbore spacing unit for the E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 3, Township 5 North, Range 65 West, for the Winters 23-3 well (API No. 05-123-31657), from the Codell and Niobrara formations. Order No. 407-544 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

6. Also on January 26, 2012, the Commission entered Order No. 407-552, which, among other things, pooled all non-consenting interests in a 160-acre wellbore spacing unit for the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 3 and N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 10, Township 5 North, Range 65 West, for the Winters 35-3 well (API No. 05-123-31655), from the Codell and Niobrara formations. Order No. 407-552 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

7. On December 15, 2015, the Commission entered Order No. 407-1587, which, among other things, pooled all non-consenting interests in two 639.179-acre wellbore spacing units for the W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 9, Township 5 North, Range 65 West, for the Sherley I-4-9HN well (API No. 05-123-40932) and the Sherley J-4-9HC well (API No. 05-123-40899), from the Codell and Niobrara formations. Order No. 407-1587 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

8. Also on December 15, 2015, the Commission entered Order No. 407-1589, which, among other things, pooled all non-consenting interests in four 648.4015-acre wellbore spacing units for the W $\frac{1}{2}$ of Section 4 and W $\frac{1}{2}$ of Section 9, Township 5 North, Range 65 West, for the Sherley E-4-9HN well (API No. 05-123-40966), Sherley F-4-9HN well (API No. 05-123-40897), Sherley G-4-9HC well (API No. 05-123-40896), and the Sherley H-4-9HN well (API No. 05-123-40900), from the Codell and Niobrara formations. Order No. 407-1589 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

9. On November 21, 2017, the Commission entered Order No. 407-2238 which, among other things, established an 800-acre drilling and spacing unit for the SW $\frac{1}{4}$ of Section 1, S $\frac{1}{2}$ of Section 2, and S $\frac{1}{2}$ of Section 3, Township 5 North, Range 65 West, and approved a total of up to five horizontal wells within the unit for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations. Order No. 407-2238 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

10. PDC designated this 640-acre Wellbore Spacing Unit for the production of oil, gas, and associated hydrocarbons from the Niobrara formation as provided by Rule 318A and notified the appropriate parties under Rule 318A.

11. Under the provisions of Rule 530 and C.R.S. § 34-60-116(6)–(7), PDC requests an order pooling all interests, including non-consenting interests and the ability to drill through all tracts, in the Application Lands for the development of the Niobrara formation underlying the following approximate 640-acre Wellbore Spacing Unit:

Township 5 North, Range 65 West, 6th P.M.

Section 2: SW¹/₄SW¹/₄

Section 3: S¹/₂S¹/₂

Section 4: S¹/₂SE¹/₄, SE¹/₄SW¹/₄

Section 9: N¹/₂NE¹/₄, NE¹/₄NW¹/₄

Section 10: N¹/₂N¹/₂

Section 11: NW¹/₄NW¹/₄

Weld County, Colorado (“Wellbore Spacing Unit” in this Application)

12. PDC requests that the Commission’s pooling order be made effective as of the earlier date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Fern 11U-204 well to the Niobrara formation on the Application Lands.

13. PDC certifies that copies of this Application will be served on all owners of the mineral estate, as indicated and required by Rule 507.b(2), underlying the tracts of the Application Lands to be pooled within seven (7) days of 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 Well, and will be provided with the information required by Rule 530. The list of such Interested Parties, with all known parties to be pooled, is attached as Exhibit A.

14. In order to prevent waste and to protect correlative rights, all interests and tracts in the Wellbore Spacing Unit should be pooled for the orderly drilling and development of the Niobrara formation.

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. Pooling all interests in the Application Lands and the Wellbore Spacing Unit for the development of the Niobrara formation;
- B. Providing that the Commission’s pooling order is made effective as of the earlier date of the Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Fern 11U-204

well in the Wellbore Spacing Unit to the Niobrara formation on the Application Lands;

- C. Providing that the interests of any owners with whom PDC has been unable to secure a lease, other agreement to participate in the drilling of the authorized well(s), or those who consented to be pooled are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to the Fern 11U-204 well drilled to develop the Niobrara formation in the Wellbore Spacing Unit comprised of the Application Lands; and
- D. Providing for such other findings and order as the Commission may deem proper or advisable in this matter.

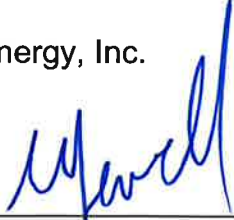
[SIGNATURE PAGE FOLLOWS]

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.
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 – PDC Energy, Inc., which address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.

2. He has read the attached application for the Fern 11U-204 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 18th day of January, 2018.

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

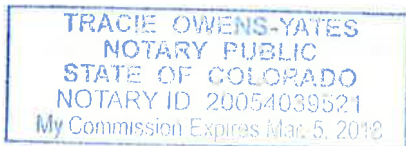




EXHIBIT A

Interested Parties

Fern 11U-204 Well

“*” denotes the interested parties that may be subject to the statutory cost recovery provisions of C.R.S. § 24-60-116.

PDC Energy, Inc.
Extraction Oil & Gas, LLC*
Incline Niobrara Partners LP*
Noble Energy, Inc.*
Noble Energy WyCo, LLC*
Sanco Services, Inc.*
Jerome Mordhorst*
Martin L. Frei*
Mary E. Stoll*
Bliss Produce Company*
Carmen G. Rodriguez
Carmin Rodriguez, life estate Remainder to Rhonda Rodriguez
Charles Bonertz
Cynthia D. Rodriguez
Debra Vogler
Destiny Barber
Dixie Ann Hoffner
Doeringsfeld and Aratas, a Joint Venture

Donovan Barber
Doris Suiter
Duggan Holdings, LLC
Edward A. Glendenning and Linda A. Glendenning, as Joint Tenants
Elaine Petrie
Eloise Kleving
F. Stanley Davis, Trustee of the Fairmeadows Liquidation Trust
Forrest L. Mueller
Francisco Rodriguez
GAP LLC*
Greeley Holdings, LLC
Greeley-Weld County Airport Authority
Harold Bonertz
Harry Meyer
Imogen Reifenrath
Jane B. Arata
Jerry D. Winters
Jerry N. Goddard and Evelyn Goddard, JT
Joshua Barber
JST Greeley, LLC
Julie Trzbiakowski
KS Properties LLC
Larry L. Mueller and Mary Jean Mueller, JT

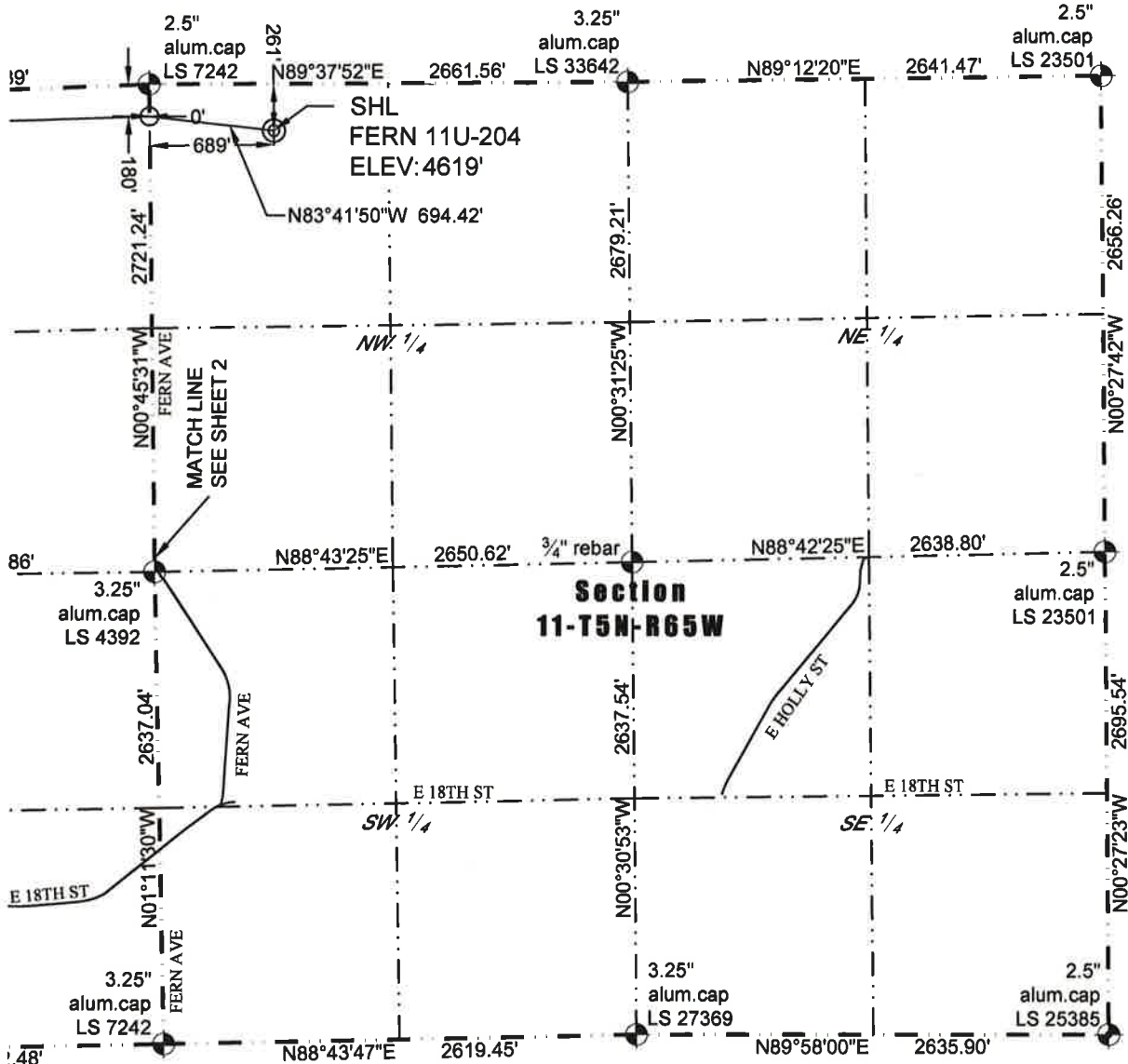
Larry L. Schupbach
Laurie Mullenhauser
Lavern Kast
Levi Barber
M.E. Davidson and Daisy E. Davidson, JT
Madison Capital Energy Income Fund III, LP
Mary I. Arata
Mary Valdez
Michael Barber
Mildred Gobel
Principle Energy, L.L.C.
Pyramid Energy, Inc.
Richmark Mineral Partners, LLC
Robert Rodriguez
Spicewood Properties, LLC
The Ogilvy Irrigation and Land Company
Varra Companies, Inc.
Walter W. Doeringsfeld, Jr.
Western Sugar Cooperative
William W. Brack and Kenneth E. Brack, JT

EXHIBIT B

Plat

Fern 11U-204 Well

[ATTACHED]



In accordance with a request from Paul Montville of PDC Energy, Inc., Washburn Land Surveying, LLC has determined the location of the **FERN 11U-204** well site to be SHL: 261' FNL and 689' FWL, (EPL: 180' FNL and 0' FEL), (BHL: 180' FNL and 2530' FEL), as measured at ninety (90) degrees from the section lines of Sections 9, 10 and 11, Township 5 North, Range 65 West of the 6th Principal Meridian, Weld County Colorado.

Proposed Surface Hole Data:

Latitude: N 40.420591°
Longitude: W 104.637625°
PDOP: 1.2

Proposed Entry Point Data:

Latitude: N 40.420819°
Longitude: W 104.640101°

Proposed Bottom Hole Data:

Latitude: N 40.420293°
Longitude: W 104.668076°

LEGEND

- - Found Survey Monument
- - Calculated Position
- ⊙ - Surface Hole Location (SHL)
- - Entry Point Location (EPL)
- × - Bottom Hole Location (BHL)

Nearest Cultural Items:

Building: 328' NW
Building Unit: 594' NW
Above Ground Utility: 370' NW
Public Road: 672' W

Property Line: 261' N
Railroad: +5280'
High Occupancy Building Unit: +5280'
Designated Outside Activity Area: +5280'

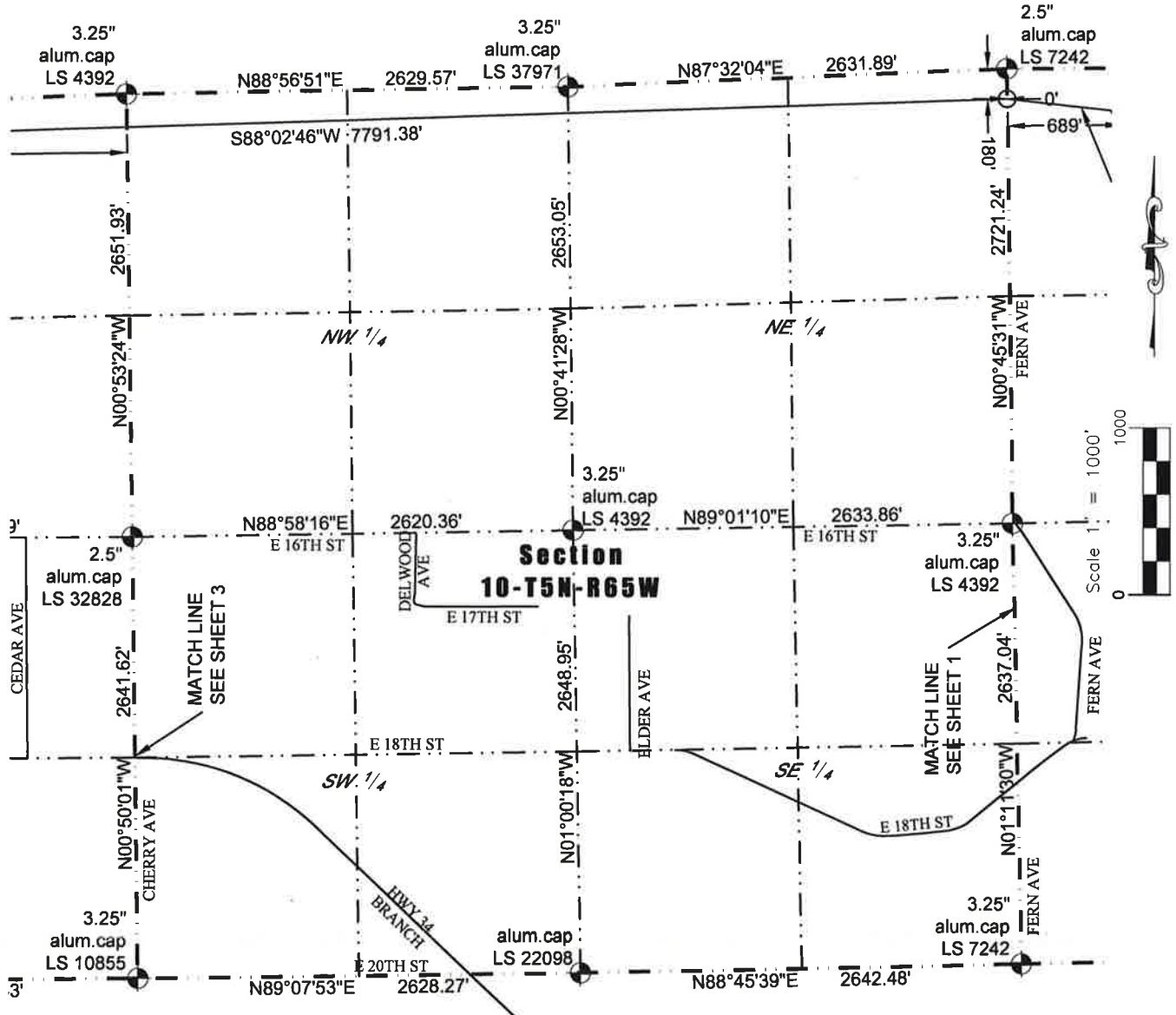
Notes:

- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate, using RTK GPS observations taken 6/10/16 by operator Jason Dahlman.
- 2) Conversion factor to ground (1.0002579525).
- 3) Elevations based on NAVD 88 GPS heights and Geoid 2009 corrections.
- 4) See Location Drawing for visible improvements within 500 feet of Pad Site.
- 5) The surface use is a incultivated field.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification shown hereon.

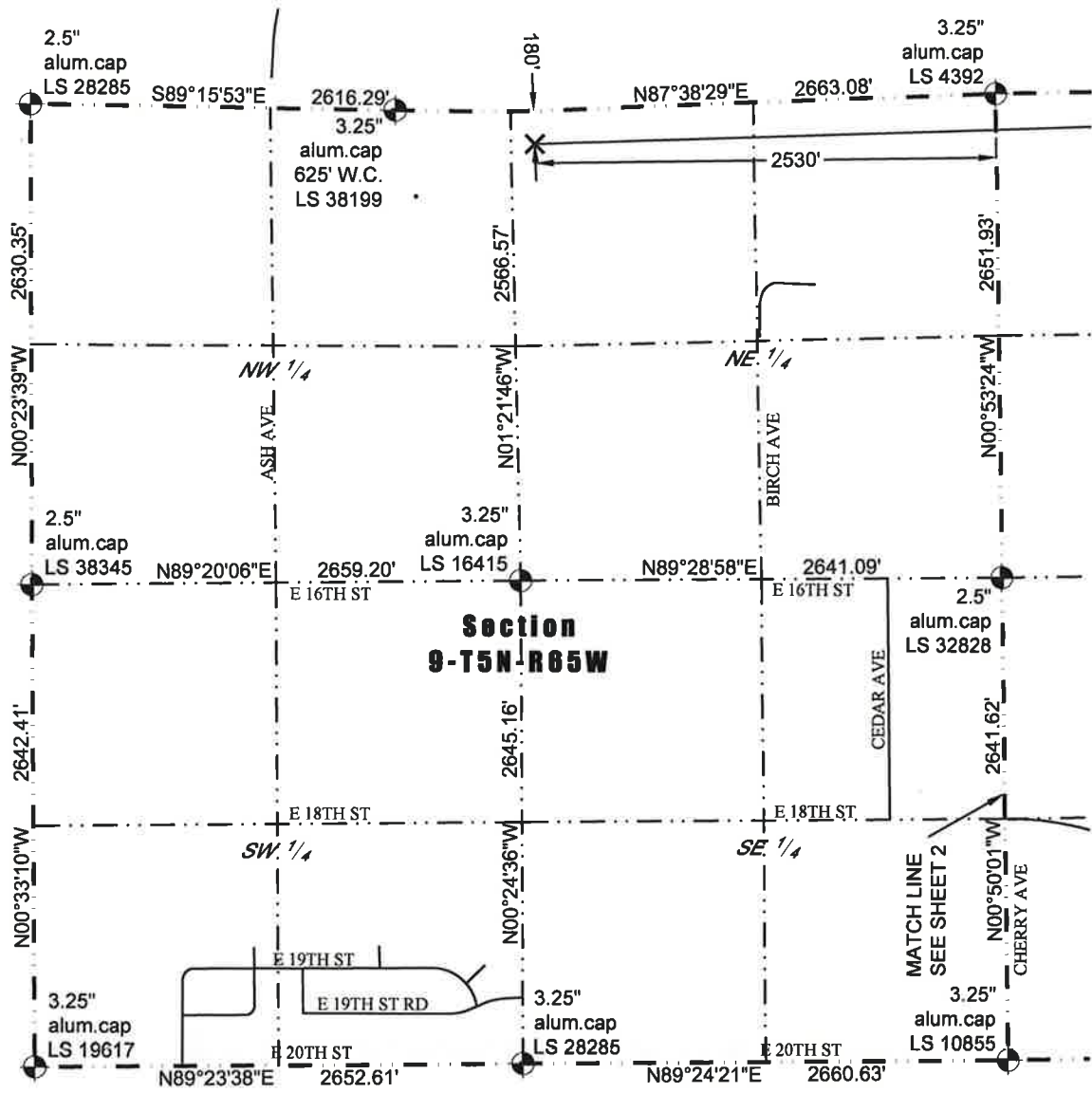
I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 8/22/2016 for and on behalf of PDC Energy, Inc. This is not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

38219
8-22-2016
John Robert McGehee, LS#38219
Well: FERN 11U-204 W.L.C.



LEGEND

- - Found Survey Monument
- ⊙ - Calculated Position
- ⊙ - Surface Hole Location (SHL)
- - Entry Point Location (EPL)
- × - Bottom Hole Location (BHL)



**Section
9-T5N-R65W**

- LEGEND**
- ⊕ - Found Survey Monument
 - - Calculated Position
 - ⊙ - Surface Hole Location (SHL)
 - - Entry Point Location (EPL)
 - × - Bottom Hole Location (BHL)

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. 180300218
GOVERN OPERATIONS FOR THE)
NIOBRARA FORMATION, WATTENBERG) TYPE: POOLING
FIELD, WELD COUNTY, 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 by January 25, 2018, she caused a copy of the Application submitted to COGCC on January 18, 2018, to be deposited in the United States Mail, postage prepaid, addressed to the interested parties listed on Exhibit A to the Application.

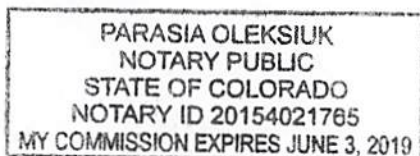
By: Courtney M. Shephard
Courtney M. Shephard, Esq.
License #47668

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 25th day of January, 2018.

My commission expires: 6-3-2019.



[Signature]