

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 AND CODELL FORMATIONS,) TYPE: POOLING
WATTENBERG 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 two approximate 320-acre Wellbore Spacing Units, as further defined below, for the drilling of the Fern 11U-434 well (API No. 05-123-44579) and the Fern 11U-334 well (API No. 05-123-44580) ("Wells"), for the development of the Niobrara and Codell formations on the following described lands:

Township 5 North, Range 65 West, 6th P.M.
Section 9: N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$
Section 10: N $\frac{1}{2}$ N $\frac{1}{2}$
Section 11: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Weld County, Colorado, containing approximately 320.00 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. PDC submitted Form 2s/Applications for Permit to Drill ("APD") for each of the Wells on January 31, 2017, and the APDs were approved by the Commission on April 9, 2017. The approved APD for the Fern 11U-434 well includes more lands than the current Wellbore Spacing Unit listed in this Application. PDC shall submit a Form 4/Sundry Notices, to notify the Commission of the modified description and reduced acreage of the Wellbore Spacing Unit for the Fern 11U-434 well.
4. 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.

5. 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.

6. Also on January 26, 2012, the Commission entered Order No. 407-552, which, among other things, pooled all non-consenting interests in an 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 Wells.

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 Wells.

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 Wells.

9. PDC designated these two 320-acre Wellbore Spacing Units for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations as provided by Rule 318A and notified the appropriate parties under Rule 318A.

10. 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 and Codell formations underlying the following two approximate 320-acre Wellbore Spacing Units:

Wellbore Spacing Units (each 320.00 acres):
Fern 11U-334 well (API No. 05-123-44580) – Niobrara
Fern 11U-434 well (API No. 05-123-44579) – Codell

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

Section 9: N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$

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

Section 11: NW $\frac{1}{4}$ NW $\frac{1}{4}$

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

11. 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-334 well to the Niobrara formation and the Fern 11U-434 well to the Codell formation on the Application Lands.

12. 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 Wells, 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.

13. In order to prevent waste and to protect correlative rights, all interests and tracts in the Wellbore Spacing Units should be pooled for the orderly drilling and development of the Niobrara and Codell formations.

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 Units for the development of the Niobrara and Codell formations;
- 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-334 well in the Wellbore Spacing Unit to the Niobrara formation and the Fern 11U-434 well in the Wellbore Spacing Unit to the Codell 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-334 well drilled to develop the Niobrara formation and the Fern 11U-434 well drilled to develop the Codell formation in the Wellbore Spacing Units 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 11W-214 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.

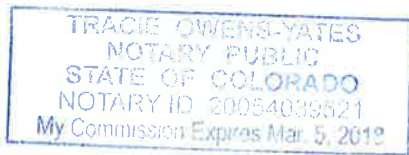


Daniel R. McCoy

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-334 Well and Fern 11U-434 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.
Bliss Investments
Cynthia D. Rodriguez
Forrest L. Mueller
Greeley Holdings, LLC
Harry Meyer
Jerry N. Goddard & Evelyn Goddard, JT
Larry L. Mueller & Mary Jean Mueller, JT
M.E. Davidson & Daisy E. Davidson, JT
Charles Bonertz
Debra Vogler
Destiny Barber
Doeringsfeld and Aratas, a Joint Venture
Donovan Barber
Doris Suiter
Elaine Petrie
Eloise Kleving
Harold Bonertz

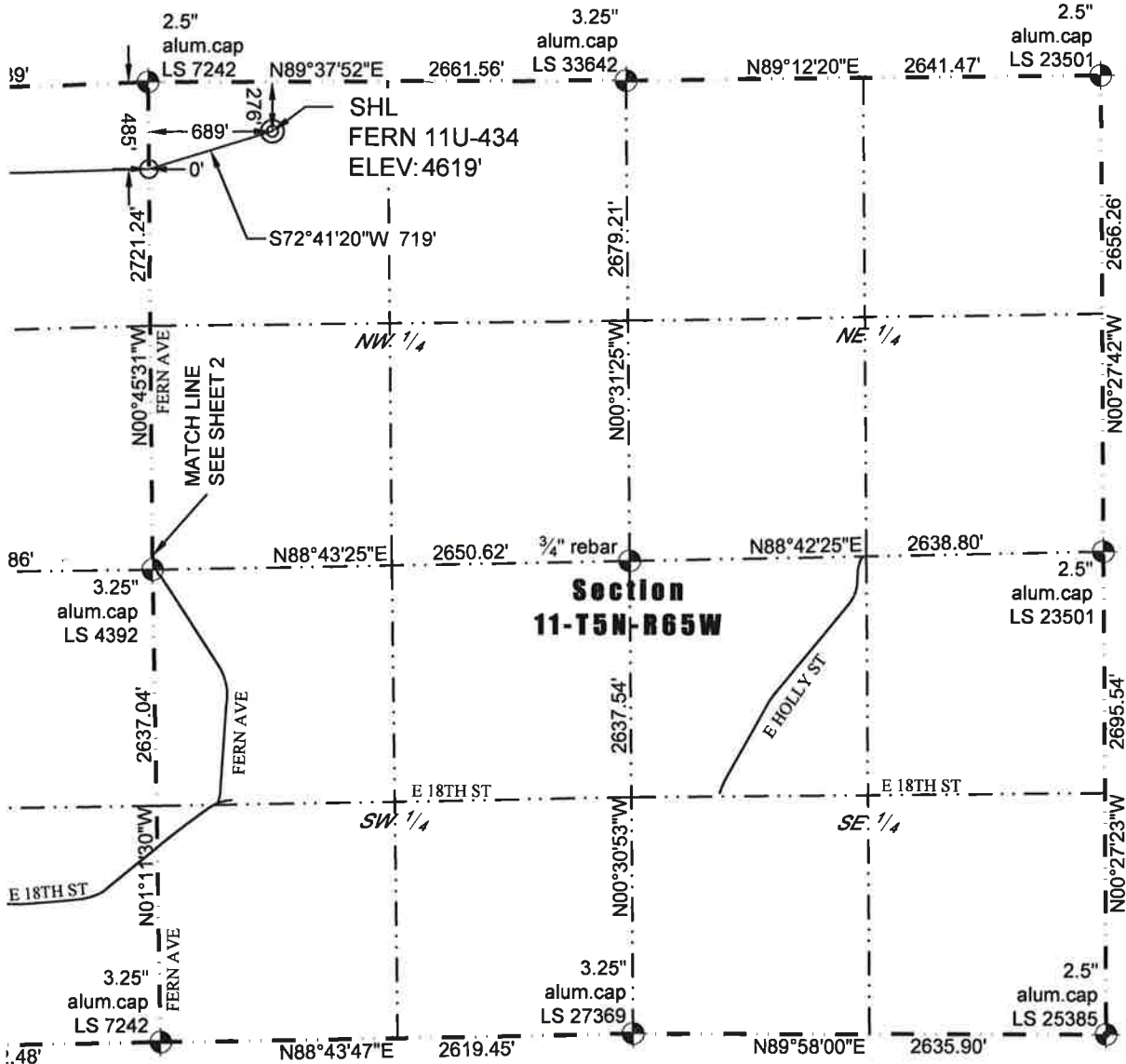
Imogen Reifenrath
Joshua Barber
Julie Trzbiakowski
Laurie Mullenhauser
Lavern Kast
Levi Barber
Mary Valdez
Michael Barber
Mildred Gobel
Pyramid Energy, Inc.
Richmark Mineral Partners, LLC
Varra Companies, Inc.
Western Sugar Cooperative

EXHIBIT B

Plats

Fern 11U-334 Well and Fern 11U-434 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-434** well site to be SHL: 276' FNL and 689' FWL, (EPL: 485' FNL and 0' FEL), (BHL: 485' FNL and 2530' FFL), 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 40.420550°
Longitude: W 104.637625°
PDOP: 1.2

Proposed Entry Point Data:
Latitude: N 40.419981°
Longitude: W 104.640097°

Proposed Bottom Hole Data:
Latitude: N 40.419456°
Longitude: W 104.668069°

Nearest Cultural Items:
Building: 329' NW
Building Unit: 596' NW
Above Ground Utility: 372' NW
Public Road: 672' W

Property Line: 276' N
Railroad: +5280'
High Occupancy Building Unit: +5280'
Designated Outside Activity Area: +5280'

LEGEND

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

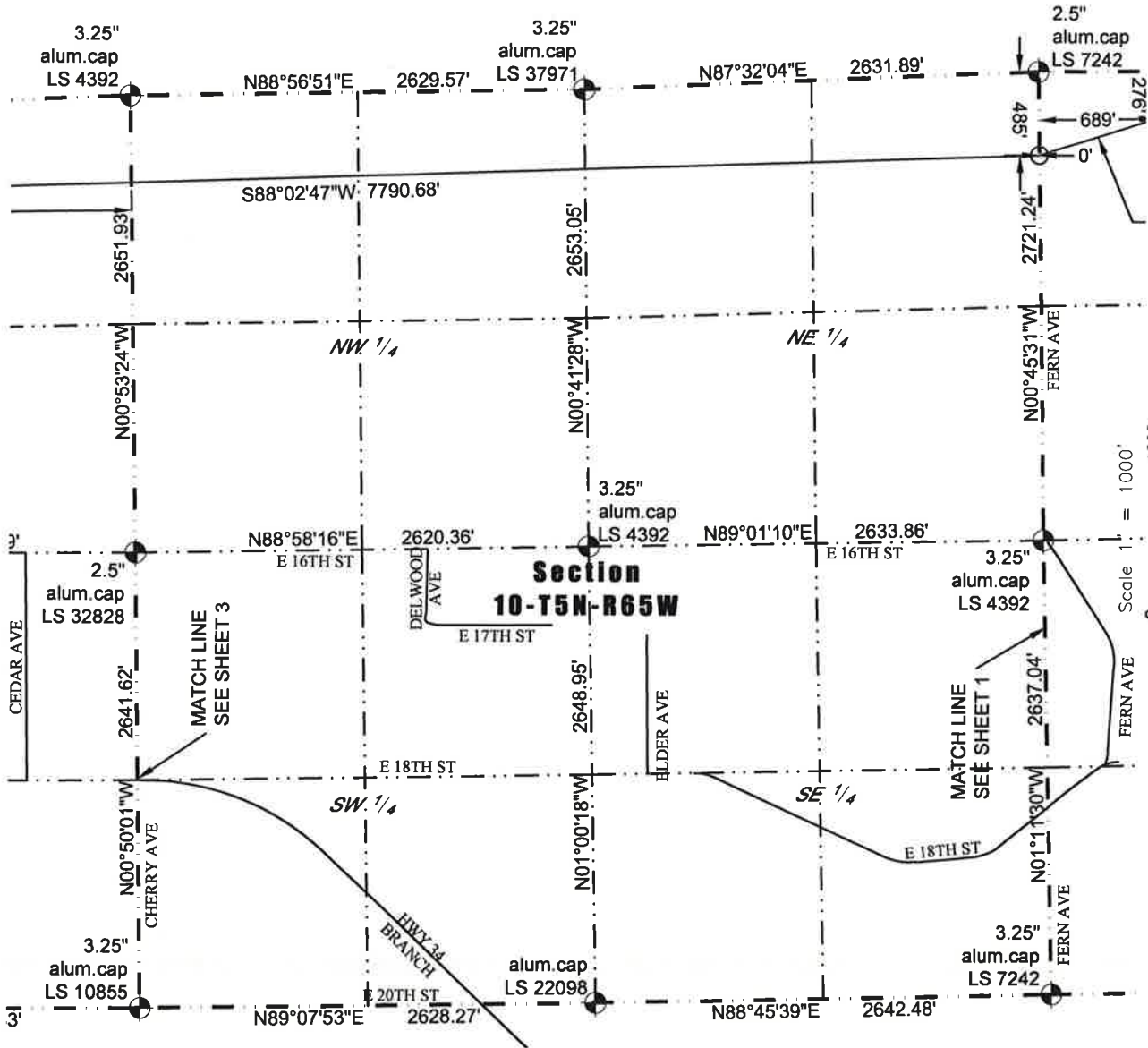
I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 9/13/2017 for and on behalf of PDC Energy, Inc. That I am not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

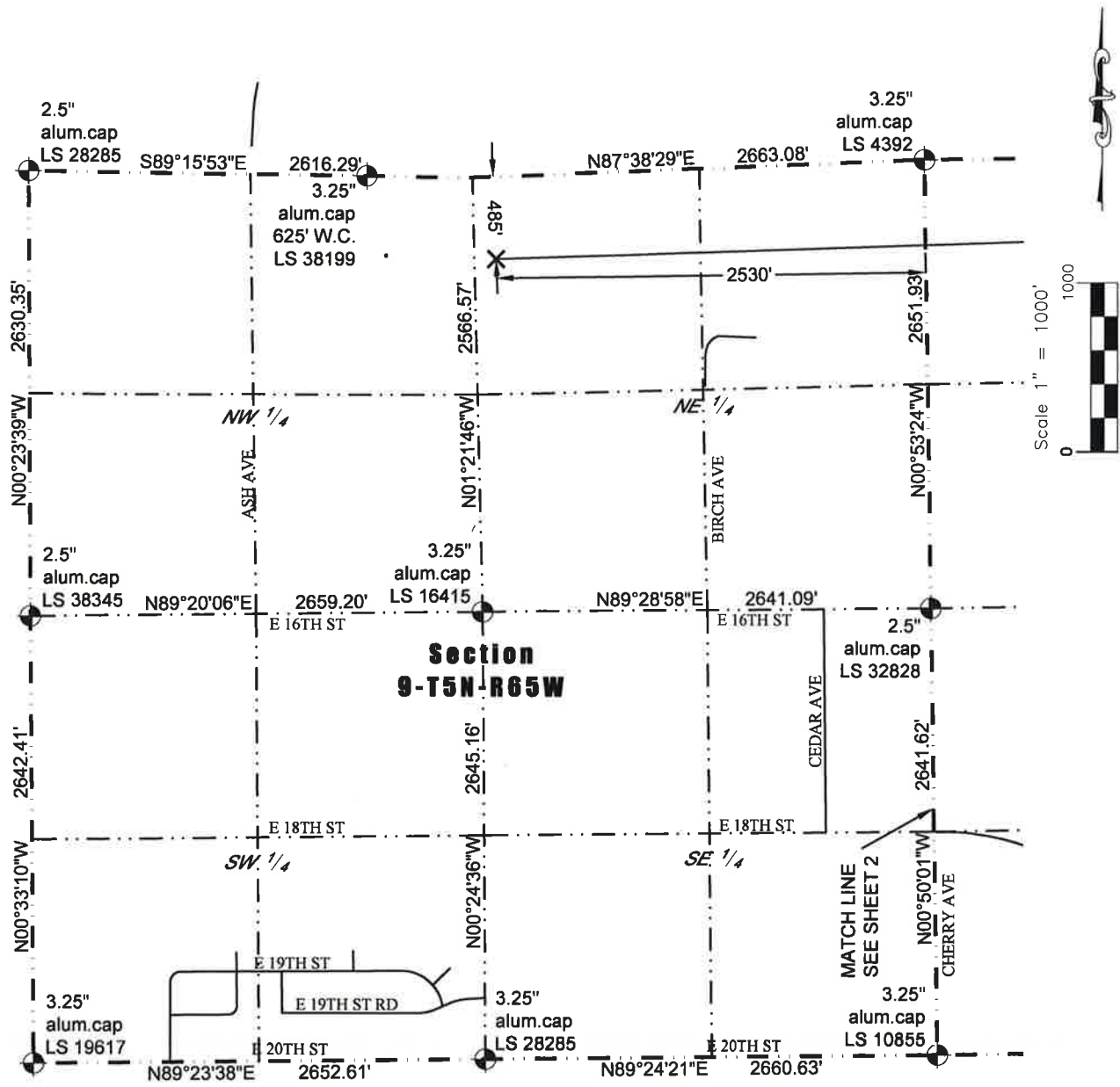


John Robert McGehee LS#38219
Well: FERN 11U-434 WLC

- 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 cultivated field.

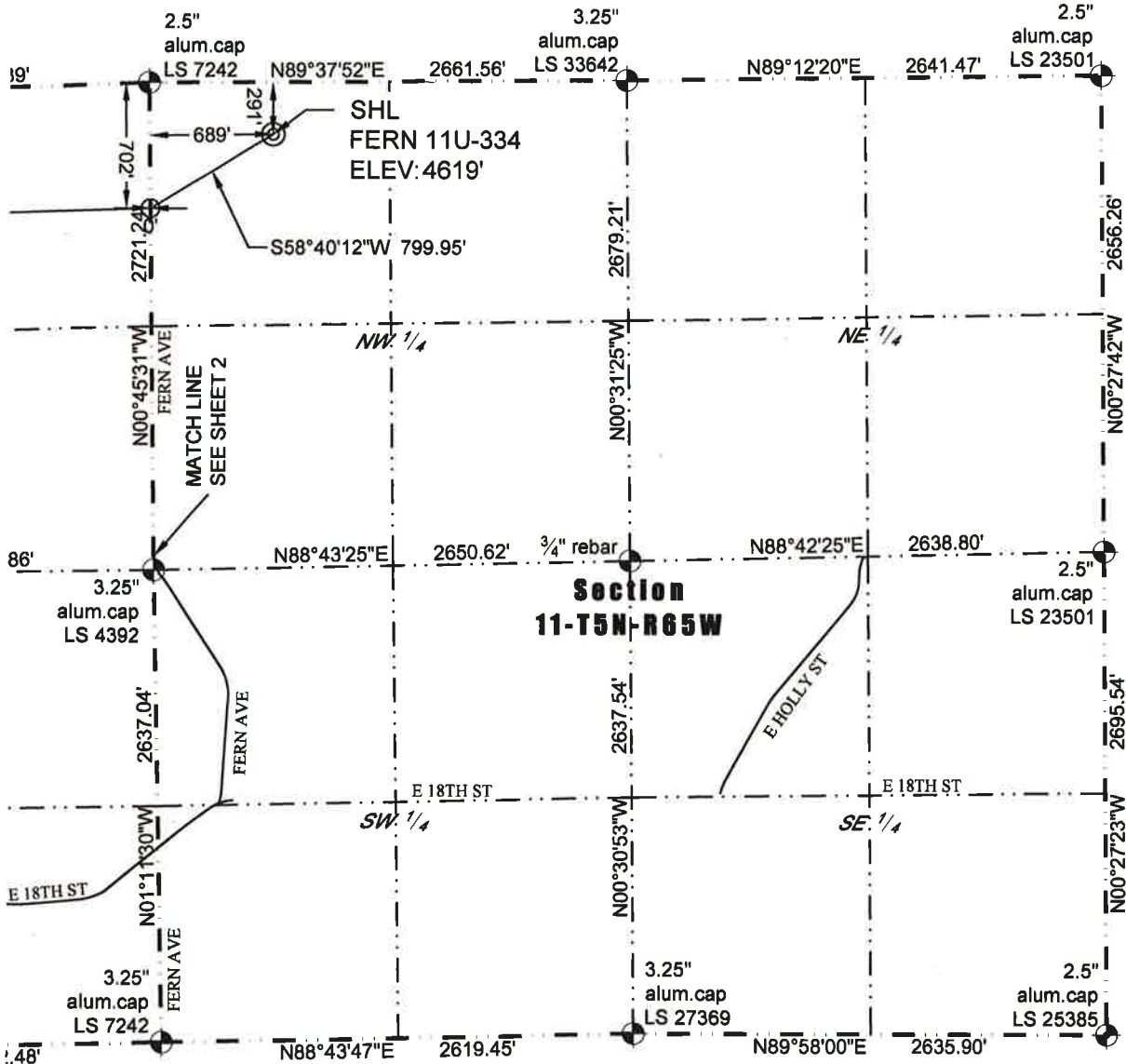
NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification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





LEGEND

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



In accordance with a request from Paul Montville of PDC Energy, Inc., Washburn Land Surveying, LLC has determined the location of the **FERN 11U-334 well site** to be SHL: 291' FNL and 689' FWL, (EPL: 702' FNL and 0' FEL), (BHL: 702' 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 40.420509°
Longitude: W 104.637626°
PDOP: 1.2

Proposed Entry Point Data:
Latitude: N 40.419385°
Longitude: W 104.640094°

Proposed Bottom Hole Data:
Latitude: N 40.418860°
Longitude: W 104.668064°

Nearest Cultural Items:
Building: 331' NW
Building Unit: 598' NW
Above Ground Utility: 375' NW
Public Road: 672' W

Property Line: 291' N
Railroad: +5280'
High Occupancy Building Unit: +5280'
Designated Outside Activity Area: +5280'

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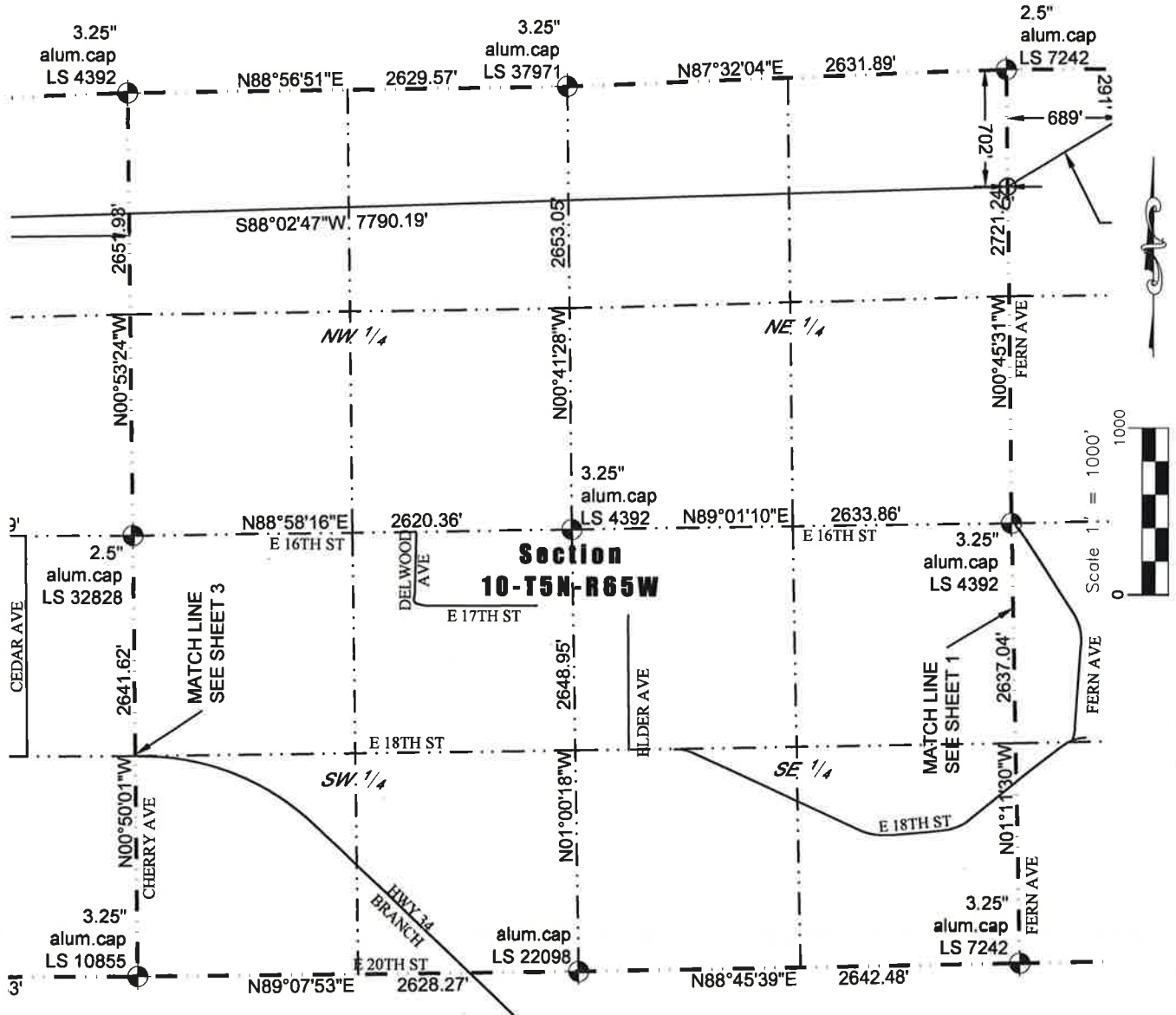
I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 8/28/2017 for and on behalf of PDC Energy, Inc. This is not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

38219
8-28-17
John Robert McGehee LS#35259
Well: FERN 11U-334 WLC
PROFESSIONAL LAND SURVEYOR

Notes:

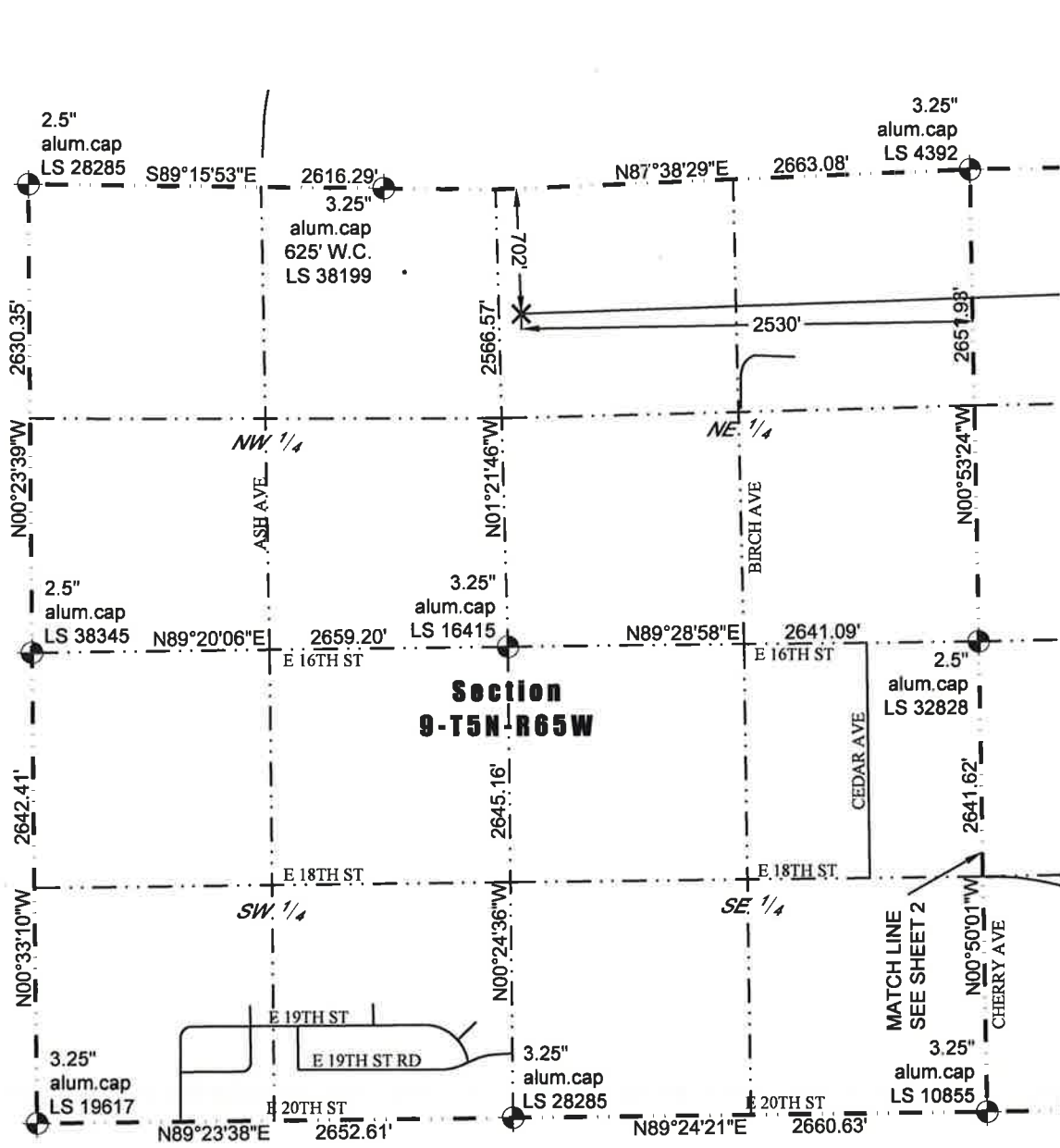
- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate, using RTK GPS observations taken 6/10/16 by operator Jason Dahlman.
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- - Calculated Position
- ⊙ - Surface Hole Location (SHL)
- - Entry Point Location (EPL)
- × - Bottom Hole Location (BHL)



- 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. 180300219
GOVERN OPERATIONS FOR THE)
NIOBRARA AND CODELL FORMATIONS,) TYPE: POOLING
WATTENBERG 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.

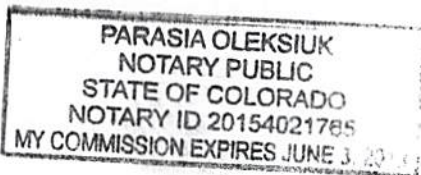
By: Courtney M. Shephard
Courtney M. Shephard, Esq.
License #47668

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.



Parasia Oleksiuk