

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 1,120-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 fourteen (14) 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 3 North, Range 66 West, 6th P.M.

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

Section 4: All

Section 5: E $\frac{1}{2}$ E $\frac{1}{2}$

Weld County, Colorado (containing a total of approximately 1,120 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 May 3, 2016, the Commission entered Order No. 407-1689, which, among other things, pooled all non-consenting interests in two approximate 466.265-acre wellbore spacing units for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 31 and the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 32, Township 4 North, Range 66 West, 6th P.M., and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 5 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 6, Township 3 North, Range 66 West, 6th P.M., for the Tarin Federal 32Y-404 Well (API No. 05-123-40091) and the Tarin Federal 32Y-314 Well (API No. 05-123-40094), from the Codell and Niobrara formations. PDC excludes from this Application the Tarin Federal 32Y-404 Well and the Tarin Federal 32Y-314 Well, and asserts that the production and payments from the Tarin Federal 32Y-404 Well and the Tarin Federal 32Y-314 Well should be maintained under the authority of Order No. 407-1689 and other applicable Commission orders and rules.

6. The Application Lands currently contain forty-three 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 1,120-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 fourteen (14) horizontal wells in the proposed approximate 1,120-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.

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 1,120-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 1,120-acre drilling and spacing unit for the Application Lands and approve up to fourteen (14) 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.

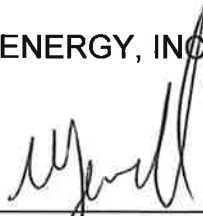
[SIGNATURE PAGE FOLLOWS]

DATED this 1st day of March, 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)
)
CITY AND COUNTY OF DENVER)

ss.

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 15th day of March, 2018.

Witness my hand and official seal.

My commission expires: 3/5/2018

TRACIE OWENS-YATES
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054039521
My Commission Expires Mar. 5, 2018

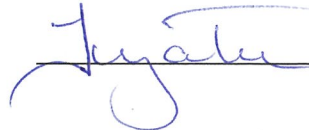


Exhibit A

Interested Party List
Spacing Application

Township 3 North, Range 66 West, 6th P.M.

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

Section 4: All

Section 5: E $\frac{1}{2}$ E $\frac{1}{2}$

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

Exhibit B

Reference Map of Application Lands

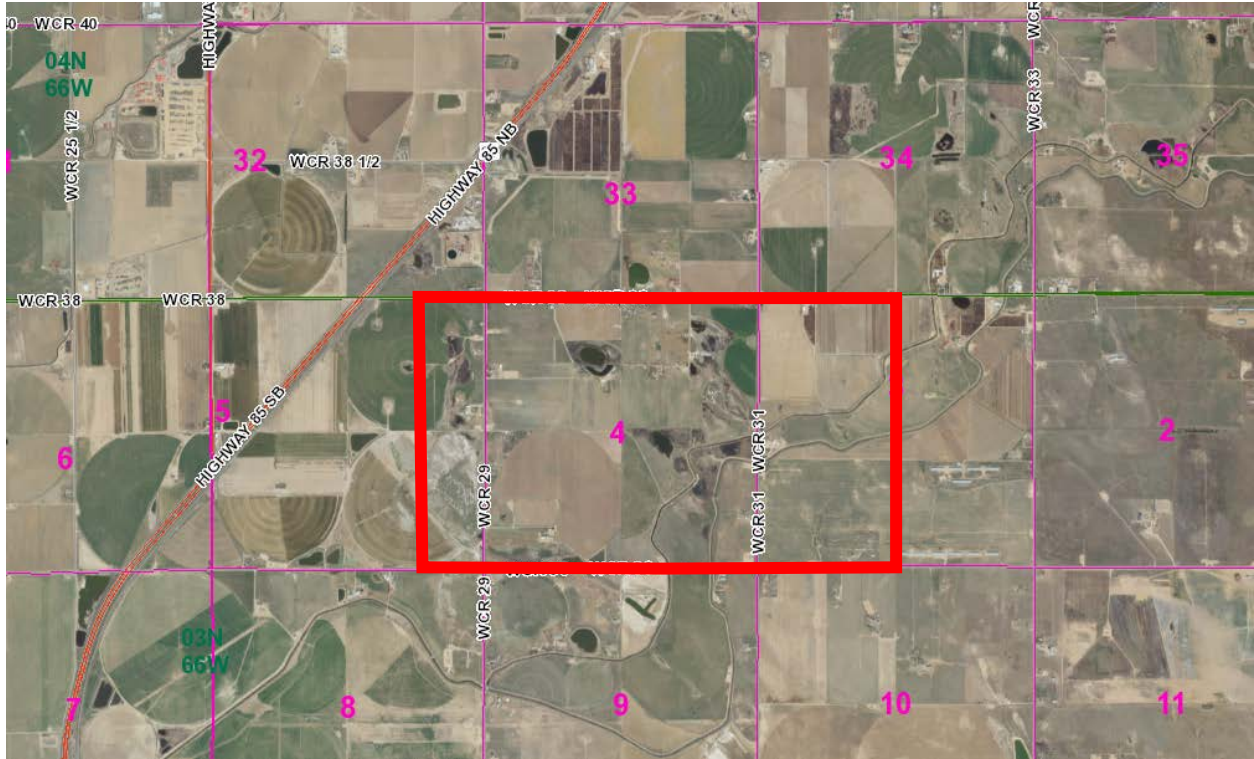


Exhibit C

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>
05-123-15286	CLIFFORD L3-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2015	WELD 123 NENW 3 3 N 66W 6	407-87
05-123-29622	CLIFFORD L 03-29	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 3 3 N 66W 6	407-87
05-123-16350	MILE HIGH 13-3	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSW 3 3 N 66W 6	232-23; 407-87
05-123-15277	PTF L3-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 NWSW 3 3 N 66W 6	407-87
05-123-29723	CLIFFORD L 03-18	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 8/1/2017	WELD 123 SEW 3 3 N 66W 6	232-23; 407-87
05-123-19397	PLATTE VALLEY 2	PDC ENERGY INC 69175	SI 10/1/2017	WELD 123 SESW 3 3 N 66W 6	407-87
05-123-20858	CLIFFORD L 3-5J	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 3 3 N 66W 6	407-87; Rule 318A
05-123-29621	CLIFFORD L 03-31	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 3 3 N 66W 6	407-87
05-123-11241	PLATTE VALLEY 1	PDC ENERGY INC 69175	SI 11/1/2017	WELD 123 SWSW 3 3 N 66W 6	None
05-123-15381	BRIGHT 4-1K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 4 3N 66W 6	407-87

05-123-29553	BRIGHT L 03-32D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 4 3N 66W 6	232-23; 407-87
05-123-29547	BRIGHT L 03-30D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 4 3N 66W 6	407-87
05-123-14845	WEBBER 21-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENW 4 3 N 66W 6	407-87
05-123-15565	HSR- THESING 9-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NESE 4 3N 66W 6	232-23; 407-87
05-123-23315	BRIGHT 24-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 4 3N 66W 6	232-23; 407-87
05-123-31802	SPIVEY 39-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2017	WELD 123 NESE 4 3N 66W 6	407-87
05-123-31804	SPIVEY 37-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2017	WELD 123 NESE 4 3N 66W 6	407-87
05-123-14831	KERN L 4-11	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 4 3 N 66W 6	407-87
05-123-15019	CARNEY 31- 4 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 12/1/2017	WELD 123 NENE 4 3 N 66W 6	407-87
05-123-14830	WEBBER 11-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 12/1/2017	WELD 123 NWNW 4 3 N 66W 6	232-23; 407-87
05-123-30901	WEBBER 31-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 6/1/2017	WELD 123 NWNW 4 3 N 66W 6	407-87

05-123-30903	WEBBER 29-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 6/1/2017	WELD 123 NWNW 4 3 N 66W 6	407-87
05-123-30967	WEBBER 18-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 6/1/2017	WELD 123 NWNW 4 3 N 66W 6	232-23
05-123-15876	HSR- BUTTERY 10-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 4 3 N 66W 6	407-125
05-123-21504	BRIGHT 10-4-5Y	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 4 3 N 66W 6	407-87
05-123-15382	BRIGHT 4-8K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENE 4 3N 66W 6	407-87
05-123-15136	WEBER L 4-6	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 3/26/1997	WELD 123 SENW 4 3 N 66W 6	407-87
05-123-15567	HSR- DUBACH 16-4 A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 SESE 4 3N 66W 6	232-23; 407-87
05-123-14832	KERN L 4-14	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2016	WELD 123 SESW 4 3 N 66W 6	407-87
05-123-08268	JOHN L. JOHNSON GU 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 4 3 N 66W 6	407-66
05-123-23358	CARNEY 7-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 4 3 N 66W 6	232-23; 407-87
05-123-23450	CARNEY 21-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 4 3 N 66W 6	Rule 318A

05-123-31701	KERN L 04-20D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 4 3 N 66W 6	232-23; 407-87
05-123-31702	KERN L 04-32D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 4 3 N 66W 6	232-23; 407-87
05-123-15622	HSR- SCHANZ 15-4A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 4 3 N 66W 6	232-23; 407-87
05-123-21557	KERN 13-4-5Y	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 12/1/2017	WELD 123 SWSW 4 3 N 66W 6	407-87
05-123-30832	HUNT 33-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 12/1/2017	WELD 123 SWSW 4 3 N 66W 6	407-87
05-123-30838	HUNT 35-4	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 12/1/2017	WELD 123 SWSW 4 3 N 66W 6	407-87
05-123-12999	KERN-UPRR 41-5	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 5 3N 66W 6	None
05-123-30925	HUNT 21-5	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 5 3N 66W 6	407-87
05-123-30927	HUNT 27-5	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 NENE 5 3N 66W 6	407-87
05-123-16401	HSR- CRAWFORD 9-5	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 5 3N 66W 6	499-15; 407-125
05-123-14601	CHAMPLIN 203 AMOCO 'A' 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 11/1/2017	WELD 123 SENE 5 3N 66W 6	407-87

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION) AND ESTABLISHMENT OF FIELD RULES) TO GOVERN OPERATIONS FOR THE) NIOBRARA AND CODELL FORMATIONS,) WATTENBERG FIELD, WELD COUNTY,) COLORADO)	CAUSE NO. DOCKET NO. 180400318 TYPE: SPACING
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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 on March 7, 2018, she caused a copy of the Application submitted to COGCC on March 1, 2018, to be deposited in the United States Mail, postage prepaid, addressed to the interested parties with known addresses listed on Exhibit A to the Application.

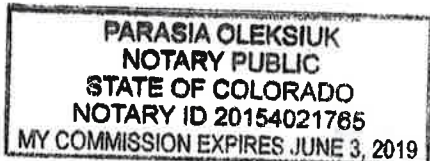
By: *Courtney M. Shephard*
Courtney M. Shephard, Esq.
License #47668

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 12th day of March, 2018.

My commission expires: June 3, 2019 .



Parasia Oleksiuk