

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 960-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, 6<sup>th</sup> P.M.  
Section 9: All  
Section 10: W½

Weld County, Colorado (containing a total of approximately 960 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 August 27, 2013, the Commission entered Order No. 407-834, which, among other things, pooled all non-consenting interests in an approximate 480-acre wellbore spacing unit for the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 8, W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 9, W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 16, and the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 17, Township 3 North, Range 66 West, 6<sup>th</sup> P.M., for the DCP State 38N-17HZ Well (API No. 05-123-36369), from the Codell and Niobrara formations. PDC excludes from this Application the DCP State 38N-17HZ Well, and asserts that the production and payments from the DCP State 38N-17HZ Well should be maintained under the authority of Order No. 407-834 and other applicable Commission orders and rules.

6. The Application Lands currently contain thirty 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 960-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 960-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 960-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 960-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 1<sup>st</sup> 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 15<sup>th</sup> 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

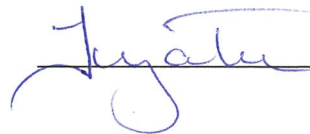
  
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Exhibit A

Interested Party List  
Spacing Application

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

Section 9: All

Section 10: W½

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

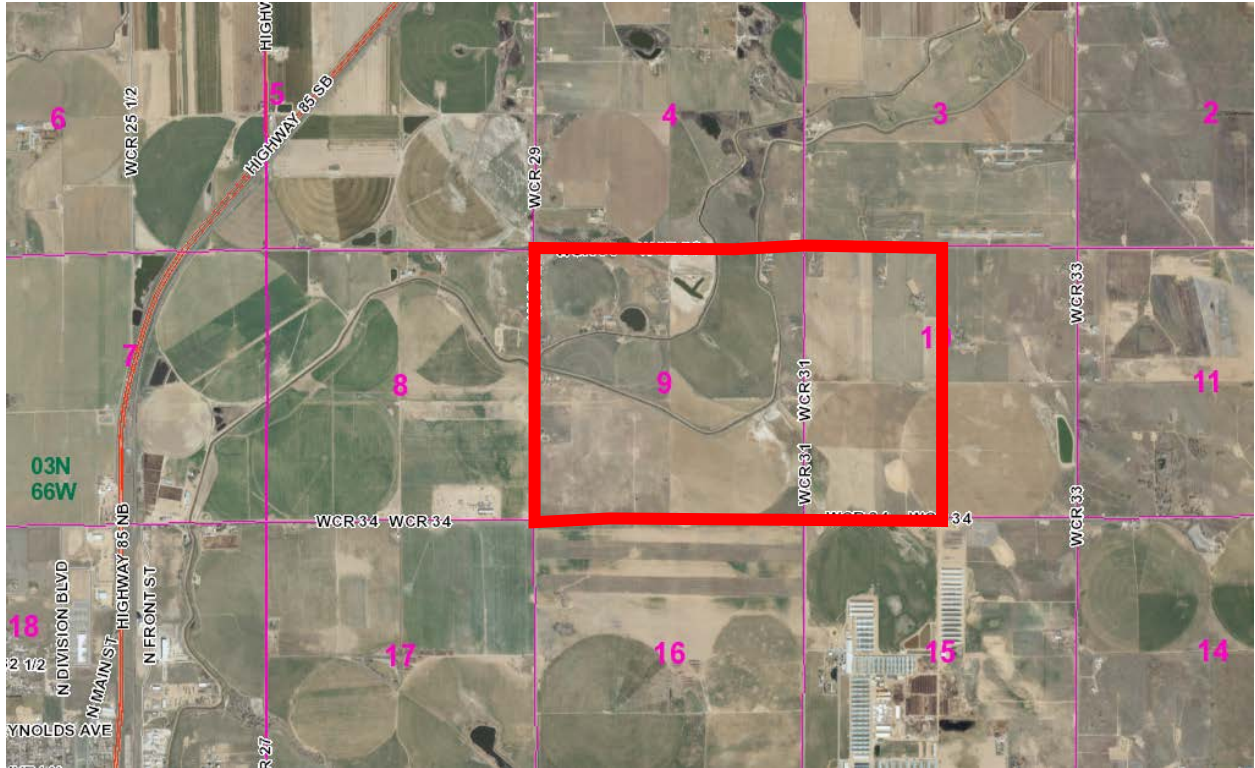


Exhibit C

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>
05-123-14489	ANDERSON UPRR 41-9	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENE 9 3N 66W 6	232-23
05-123-21756	BACKSTRO M 18-9	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENW 9 3 N 66W 6	407-87
05-123-21966	LUCKY L 9-23	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 3/1/2017	WELD 123 NESE 9 3N 66W 6	407-87
05-123-16382	UPRC 9-9K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 9 3N 66W 6	407-87
05-123-15106	UPRC 9-11K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 9 3 N 66W 6	407-87
05-123-30357	BIRMINGHA M L 09-20D	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 9 3 N 66W 6	407-87
05-123-30520	BIRMINGHA M L 09-21D	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 12/1/2017	WELD 123 NESW 9 3 N 66W 6	407-87
05-123-13796	DILL UPRR 31-9 (#2)	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 12/1/2017	WELD 123 NWNE 9 3 N 66W 6	None
05-123-14466	UPRR 21 PAN AM UT L 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 8/1/2017	WELD 123 NWNE 9 3 N 66W 6	407-87
05-123-15056	UPRC 9-4K	KERR MCGEE OIL & GAS	SI 5/1/2017	WELD 123 NWNW 9 3 N 66W 6	232-23; 407-87



		ONSHORE LP 47120			
05-123- 16378	UPRC 9-10K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 9 3 N 66W 6	407-87
05-123- 15151	UPRC 9-12K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSW 9 3 N 66W 6	407-87
05-123- 25278	LUCKY L 09-25	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2017	WELD 123 NWSW 9 3 N 66W 6	232-23; 407-87
05-123- 22221	ANDERSON 8-9	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 10/1/2017	WELD 123 SENE 9 3N 66W 6	232-23; 407-87
05-123- 15801	UPRC 9-6K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SENW 9 3 N 66W 6	232-23; 407-87
05-123- 15107	UPRC 9-14K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESW 9 3 N 66W 6	407-87
05-123- 16093	ANDERSON UPRR 32-9A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNE 9 3 N 66W 6	232-23; 407-87
05-123- 15800	UPRC 9-5K	KERR MCGEE OIL & GAS ONSHORE LP 47120	TA 10/1/2017	WELD 123 SWNW 9 3 N 66W 6	232-23; 407-87
05-123- 15410	UPRC 9-15K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 9 3 N 66W 6	407-87
05-123- 29660	ANDERSON L 09-24	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 9 3 N 66W 6	232-23; 407-87
05-123- 07221	UPRR 21 PAN AM B 1	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSW 9 3 N 66W 6	None

05-123-15090	PRESLEY 10-3K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NENW 10 3 N 66W 6	232-23; 407-87
05-123-22163	MORNING FRESH 11-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 10 3 N 66W 6	407-87
05-123-16060	HSR-BOYD 11-10	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 10 3 N 66W 6	407-87; Rule 318A
05-123-09909	EDITH WEBBER UNIT 2	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2017	WELD 123 NWNW 10 3 N 66W 6	None
05-123-15672	PRESLEY 10-4K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWNW 10 3 N 66W 6	407-87
05-123-16041	HSR- COOPER 12-10A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSW 10 3 N 66W 6	232-23; 407- 87; 499-15
05-123-15091	PRESLEY 10-6K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SEW 10 3 N 66W 6	232-23; 407- 87; 499-15
05-123-22610	MORNING FRESH 14-10X	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESW 10 3 N 66W 6	407-87
05-123-15673	PRESLEY 10-5K	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWNW 10 3 N 66W 6	None

