

**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 FORMATION,
WATTENBERG FIELD, WELD COUNTY,
COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

PDC Energy, Inc. (Operator No. 69175) ("PDC" or "Applicant"), submits this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests in one approximate 565.441-acre horizontal wellbore spacing unit designated for portions of Sections 31 and 32, Township 5 North, Range 64 West, 6th P.M., established for the Daisy 31G-312 well (API No. 05-123-45262), for development of and production from the Niobrara Formation.

In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
2. Applicant owns certain leasehold interests in the below-listed lands:

Township 5 North, Range 64 West, 6th P.M.

Section 31: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 32: S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") – 565.441-acres

Daisy 31G-312 well (Niobrara Formation)

These lands are collectively referred to as the "Application Lands."

3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. The Application Lands are subject to Rule 318A.

4. On February 19, 1992, the Commission entered Order No. 407-87 (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 Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

5. Pursuant to Rule 318A, Applicant designated a 565.441-acre horizontal wellbore spacing unit established for the Daisy 31G-312 well ("Subject Well") for the

production of oil, gas and associated hydrocarbons from the Niobrara Formation and notified the appropriate parties under Rule 318A:

6. Acting pursuant to Commission Rule 530 and/or the provisions of § 34-60-116 (6) and (7), C.R.S., Applicant seeks an order pooling all interests, including, but not limited to, any non-consenting interests, in the Application Lands for the development and operation of the Niobrara Formation.

7. Further, Applicant requests that any non-consenting interests with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Well be made subject to the statutory cost recovery provisions of § 34-60-116(6) & (7), C.R.S.

8. Applicant requests that the pooling order be made effective as of the date of the Application, or, as applicable, the date that the costs specified in § 34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Subject Well, whichever is earlier.

9. In order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Niobrara Formation, including any non-consenting interests therein.

10. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 503.e., 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 Subject Well, and will be provided with the information required by Rule 530 as applicable.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing the Commission enter its order:

A. Pooling all interests in each wellbore spacing unit comprising the Application Lands for the development and operation of the Niobrara Formation, with such order effective as of the date of the Application, or the date that the costs specified in § 34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Well, whichever is earlier.

B. Providing that the non-consenting interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Well are pooled by operation of statute, pursuant to § 34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof.

C. For any other findings and orders as the Commission may deem proper or advisable in this matter.

Dated March 1, 2018.

Respectfully submitted:

PDC ENERGY, INC.

By: 

Greg Nibert, Jr.

David Neslin

Davis Graham & Stubbs LLP

1550 Seventeenth Street, Suite 500

Denver, Colorado 80202

(303) 892-9400

Applicant's Address:

PDC Energy, Inc.

ATTN: Katherine Wilson

1775 Sherman Street, Suite 3000

Denver, CO 80203

