

**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. 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 two approximate 360-acre horizontal wellbore spacing units and two approximate 720-acre horizontal wellbore spacing units designated for portions of Sections 32, 33, and 34, Township 5 North, Range 64 West, 6th P.M., established for the Bath-Schmier 1C well (API No. 05-123-45072), the Bath-Schmier 2N well (API No. 05-123-45077), the Bath-Schmier 3N well (API No. 05-123-45078), and the Bath-Schmier 4N well (API No. 05-123-45074), for development of and production from the Niobrara and Codell Formations.

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 32: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 33: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 34: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") Nos. 1 and 2 - 720-acres

Bath-Schmier 1C well (Codell Formation)

Bath-Schmier 2N well (Niobrara Formation)

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

Section 32: N $\frac{1}{2}$ S $\frac{1}{2}$

Section 33: N $\frac{1}{2}$ S $\frac{1}{2}$

Section 34: NW $\frac{1}{4}$ SW $\frac{1}{4}$

WSU Nos. 2 and 3 - 360-acres

Bath-Schmier 3N well (Niobrara Formation)

Bath-Schmier 4N 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 and Codell Formations 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 each of the following horizontal wellbore spacing units and notified the appropriate parties under Rule 318A:

A. WSU No. 1 - A 720-acre horizontal wellbore spacing unit established for the Bath-Schmier 1C well, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

B. WSU No. 2 - A 720-acre horizontal wellbore spacing unit established for the Bath-Schmier 2N well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

C. WSU No. 3 - A 360-acre horizontal wellbore spacing unit established for the Bath-Schmier 3N well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

D. WSU No. 4 - A 360-acre horizontal wellbore spacing unit established for the Bath-Schmier 4N well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

These wells are collectively referred to as the "Subject Wells."

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 and Codell Formations.

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 Wells 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 Wells, 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 and Codell Formations, 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 Wells, 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 and Codell Formations, 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 Wells, 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 Wells 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.

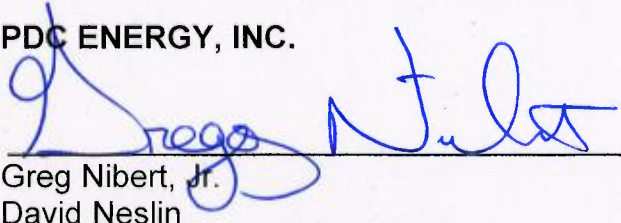
C. For any other findings and orders as the Commission may deem proper or advisable in this matter.

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

