

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 FORMATION, WATTENBERG)
FIELD, WELD COUNTY, COLORADO) TYPE: POOLING

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 to amend Order No. 407-1887 to reflect the as-drilled acreage for the Ehrlich 5J-243 Well (API No. 05-123-43544) ("Well"), which consists of the following lands:

Township 5 North, Range 64 West, 6th P.M.
Section 5: W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$
Section 8: NW $\frac{1}{4}$

Weld County, Colorado, containing 400 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. 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.
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 January 8, 2015, the Commission entered Order No. 407-1182, which, among other things, pooled all nonconsenting interests in an approximate 160-acre wellbore spacing unit for the SW $\frac{1}{4}$ of Section 5, Township 5 North, Range 64 West, for the LDS B05-25 Well (API No. 05-123-34204), from the Codell and Niobrara Formations. Order No. 407-1182 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

6. On December 20, 2016, the Commission entered Order No. 407-1837, which, among other things, pooled all nonconsenting interests in two approximate 720-acre wellbore spacing units for the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 5, E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 7, and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31 and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 6 North, Range 64 West, 6th P.M., for the J Klein 7Y-201 Well (API No. 05-123-43004) and the J Klein 7Y-341 Well (API No. 05-123-42998), from the Niobrara Formation. Order No. 407-1837 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

7. Also on December 20, 2016, the Commission entered Order No. 407-1838, which, among other things, pooled all nonconsenting interests in an approximate 520-acre wellbore spacing unit for the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 5, E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 7, and the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31 and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 6 North, Range 64 West, 6th P.M., for the J Klein 7Y-241 Well (API No. 05-123-43003), from the Niobrara Formation. Order No. 407-1838 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

8. On February 14, 2017, the Commission entered Order No. 407-1882, which, among other things, pooled all nonconsenting interests in an approximate 240-acre wellbore spacing unit for the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 5 and the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., for the Ehrlich 5E-323 Well (API No. 05-123-43543), from the Niobrara Formation. Order No. 407-1882 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

9. Also on February 14, 2017, the Commission entered Order No. 407-1884, which, among other things, pooled all nonconsenting interests in an approximate 240-acre wellbore spacing unit for the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 5 and the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., for the Ehrlich 5J-223 Well (API No. 05-123-43541), from the Niobrara Formation. Order No. 407-1884 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

10. Also on February 14, 2017, the Commission entered Order No. 407-1885, which, among other things, pooled all nonconsenting interests in an approximate 240-acre wellbore spacing unit for the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 5 and the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., for the Ehrlich 5M-343 Well (API No. 05-123-43546), from the Niobrara Formation. Order No. 407-1885 is not affected by this

Application, and proceeds from any shared lands will be accounted for in the production of the Well.

11. Also on February 14, 2017, the Commission entered Order No. 407-1886, which, among other things, pooled all nonconsenting interests in an approximate 480-acre wellbore spacing unit for the $W\frac{1}{2}$ of Section 5 and the $NW\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., for the Ehrlich 5J-203 Well (API No. 05-123-43540), from the Niobrara Formation. Order No. 407-1886 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

12. Also on February 14, 2017, the Commission entered Order No. 407-1888, which, among other things, pooled all nonconsenting interests in an approximate 480-acre wellbore spacing unit for the $W\frac{1}{2}$ of Section 5, and the $NW\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., for the Ehrlich 5J-303 Well (API No. 05-123-43545), from the Niobrara Formation. Order No. 407-1888 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

13. Also on February 14, 2017, the Commission entered Order No. 407-1889, which, among other things, pooled all nonconsenting interests in an approximate 480-acre wellbore spacing unit for the $W\frac{1}{2}$ of Section 5 and the $NW\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., for the Ehrlich 5J-233 Well (API No. 05-123-43539), from the Niobrara Formation. Order No. 407-1889 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

14. Also on February 14, 2017, the Commission entered Order No. 407-1890, which, among other things, pooled all nonconsenting interests in an approximate 480-acre wellbore spacing unit for the $E\frac{1}{2}W\frac{1}{2}$, $W\frac{1}{2}E\frac{1}{2}$ of Section 5 and the $E\frac{1}{2}NW\frac{1}{4}$, $W\frac{1}{2}NE\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., for the Ehrlich 5M-243 Well (API No. 05-123-43547), from the Niobrara Formation. Order No. 407-1890 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

15. On May 8, 2017, the Commission entered Order No. 407-1973, which, among other things, pooled all nonconsenting interests in three approximate 640-acre wellbore spacing units for the $NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$ of Section 8, $N\frac{1}{2}$ of Section 9, and the $W\frac{1}{2}NW\frac{1}{4}$ of Section 10, Township 5 North, Range 64 West, 6th P.M., for the Wacker 10F-204 Well (API No. 05-123-43567), Wacker 10F-234 Well (API No. 05-123-43565), and the Wacker 10F-304 Well (API No. 05-123-43563), from the Niobrara Formation; two approximate 320-acre wellbore spacing units for the $N\frac{1}{2}NE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$ of Section 8, $N\frac{1}{2}N\frac{1}{2}$ of Section 9, and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 10, Township 5 North, Range 64 West, 6th P.M., for the McGlothlin 9V-314 Well (API No. 05-123-43951) and the McGlothlin 9U-234 Well (API No. 05-123-43957), from the Niobrara Formation; two 640-acre wellbore spacing units for the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 3, $S\frac{1}{2}S\frac{1}{2}$ of Section 4, $S\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SW\frac{1}{4}$ of Section 5, $N\frac{1}{2}NE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$ of Section 8, $N\frac{1}{2}N\frac{1}{2}$ of Section 9, and the $NW\frac{1}{4}NW\frac{1}{4}$ Section 10, Township 5 North, Range 64 West, 6th P.M., for the McGlothlin 9U-204 Well (API No. 05-123-43948) and the McGlothlin 9U-334 Well (API No. 05-123-43950), from the Niobrara Formation; and two approximate 800-acre wellbore spacing

units for the SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 7, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 8, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 9, and the SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 10, Township 5 North, Range 64 West, 6th P.M., for the Wacker 10G-214 Well (API No. 05-123-43568) and the Wacker 10G-304 Well (API No. 05-123-43562), from the Niobrara Formation. Order No. 407-1973 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

16. On August 7, 2017, the Commission entered Order No. 407-2125, which, among other things, pooled all nonconsenting interests in an approximate 638.1225-acre wellbore spacing unit for the SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 4, and the S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 5, Township 5 North, Range 64 West, 6th P.M., for the Snowmass 10N Well (API No. 05-123-44894), from the Niobrara Formation. Order No. 407-2125 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

17. On August 9, 2017, the Commission entered Order No. 407-2139, which, among other things, pooled all nonconsenting interests in four approximate 560-acre wellbore spacing units for the S $\frac{1}{2}$ of Section 4 and the SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 5, Township 5 North, Range 64 West, for the McGlothlin Farms 4X-204 Well (API No. 05-123-44010), McGlothlin Farms 4X-214 Well (API No. 05-123-44005), McGlothlin Farms 4X-314 Well (API No. 05-123-44007), and the McGlothlin Farms 4X-334 Well (API No. 44009); two approximate 560-acre wellbore spacing units for the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 4, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 5, N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 9, Township 5 North, Range 64 West, 6th P.M., for the McGlothlin Farms 4Y-214 Well (API No. 05-123-44013) and the McGlothlin Farms 4Y-304 Well (API No. 05-123-44012), from the Niobrara Formation; and two approximate 280-acre wellbore spacing units for the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 4 and the S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 5, Township 5 North, Range 64 West, 6th P.M., for the McGlothlin Farms 4X-234 Well (API No. 05-123-44011) and the McGlothlin Farms 4Y-313 Well (API No. 05-123-44008), from the Niobrara Formation. Order No. 407-2139 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

18. On September 22, 2017, the Commission entered Order No. 407-2178, which, among other things, pooled all nonconsenting interests in an approximate 280-acre wellbore spacing unit for the N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 4 and the N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 5, Township 5 North, Range 64 West, 6th P.M., for the McGlothlin Farms 4W-334 Well (API No. 05-123-44006), from the Niobrara Formation; and an approximate 320-acre wellbore spacing unit for the SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 8, S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 9, and the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 10, Township 5 North, Range 64 West, 6th P.M., for the Wacker 10G-314 Well (API No. 05-123-43569), from the Niobrara Formation. Order No. 407-2178 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

19. Also on September 22, 2017, the Commission entered Order No. 407-2205, which, among other things, pooled all nonconsenting interests in an approximate 560-acre wellbore spacing unit for the N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 4 and the S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 5, Township 5 North, Range 64 West, 6th P.M., for the

McGlothlin Farms 4W-234 Well (API No. 05-123-44003), from the Niobrara Formation. Order No. 407-2205 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

20. PDC filed this Application to amend Order No. 407-1887. The Commission entered Order No. 407-1887 on February 14, 2017, and Order No. 407-1887 pooled, among other things, all nonconsenting interests in a 480-acre wellbore spacing unit for the W $\frac{1}{2}$ of Section 5 and the NW $\frac{1}{4}$ of Section 8, Township 5 North, Range 64 West, 6th P.M., for the Well, from the Niobrara Formation. After the Commission entered Order No. 407-1887, PDC modified its drilling plans for the Well and, as a result, reduced the size of the wellbore spacing unit for the Well to a 400-acre wellbore spacing unit consisting of the following lands:

Township 5 North, Range 64 West, 6th P.M.
Section 5: W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$
Section 8: NW $\frac{1}{4}$

Weld County, Colorado, containing 400 acres (“Wellbore Spacing Unit” in this Application)

21. The COGCC has not published any additional orders affecting the Application Lands as of the date of this Application.

22. On February 28, 2018, PDC filed a Form 4/Sundry Notice to modify the wellbore spacing unit to reflect the as-drilled acreage of the Wellbore Spacing Unit.

23. Under the provisions of Rule 530 and C.R.S. § 34-60-116(6)–(7), PDC requests that the Commission amend Order No. 407-1887 to reflect the as-drilled acreage of the Well and, accordingly, to apply the involuntary pooling provisions of Order No. 407-1887 to only the Wellbore Spacing Unit.

24. PDC requests that the Commission’s amended Order No. 407-1887 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 Ehrlich 5J-243 Well to the Niobrara Formation in the Wellbore Spacing Unit.

25. The granting of this Application is in accord with the Oil and Gas Conservation Act, C.R.S. § 34-60-101 et seq., and the Commission Rules.

26. 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.

27. 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 Wellbore Spacing Unit within seven (7) days of the date hereof, and that at least thirty-five (35) days prior to the hearing on this matter. The list of such Interested Parties, is attached as Exhibit A.

28. In order to prevent waste and to protect correlative rights, all interests and tracts in the Wellbore Spacing Unit should be pooled for the orderly drilling and development of the Niobrara Formation.

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. Amending Order No. 407-1887 to apply only to the Wellbore Spacing Unit for the Ehrlich 5J-243 Well, drilled to develop the Niobrara Formation; and
- B. Providing for such other findings and order as the Commission may deem proper or advisable in this matter.

DATED this 10th day of April, 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. J. Tyler Sims, MBA, CPL
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 Senior Regional Landman for PDC Energy, Inc., which address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.

2. He has read the attached application to amend Order No. 407-1887 for the Ehrlich 5J-243 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.



J. Tyler Sims, MBA, CPL

Subscribed and sworn to before me this 10th day of April, 2018.

Witness my hand and official seal.
My commission expires: 3/5/2022

TRACIE OWENS-YATES
Notary Public
State of Colorado
Notary ID # 20054039521
My Commission Expires 03-05-2022

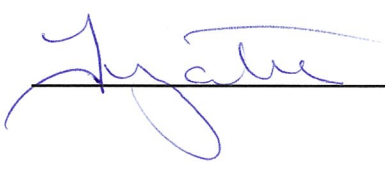


EXHIBIT A

Interested Parties

Ehrlich 5J-243 Well

PDC Energy, Inc.
Bayswater Resources LLC
Bayswater Blenheim Holdings II, LLC
Bayswater Exploration & Production, LLC
Edward A. Holloway
Jack L. Schreiber
McCulliss Oil & Gas Inc.
McCulliss Resources CO., Inc.
George G. Vaught, Jr.
Ehrlich Living Trust dated March 14, 2008
Mary Lou Printz, Trustee of the Mary Lou Printz Trust Agreement dated January 5, 2012
Rosa Isela Acevedo
Charles G. Monroe & Co.
American Minerals LLC
Guaranty Bank and Trust Company, Successor Trustee of the Hubert J. Monroe Trust
Julia C. Webster
Daniel C. Webster
Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints
Tamara Sue Nelson
Kimberly A. Hoff
Blackriver Niobrara Partners, LLC
Joanne I. Heckendorf
The heirs, successors and assigns of Richard F. Heckendorf
Sally J. Schmidt Ashby
Maxine K. Hurt
Monte R. Schmidt

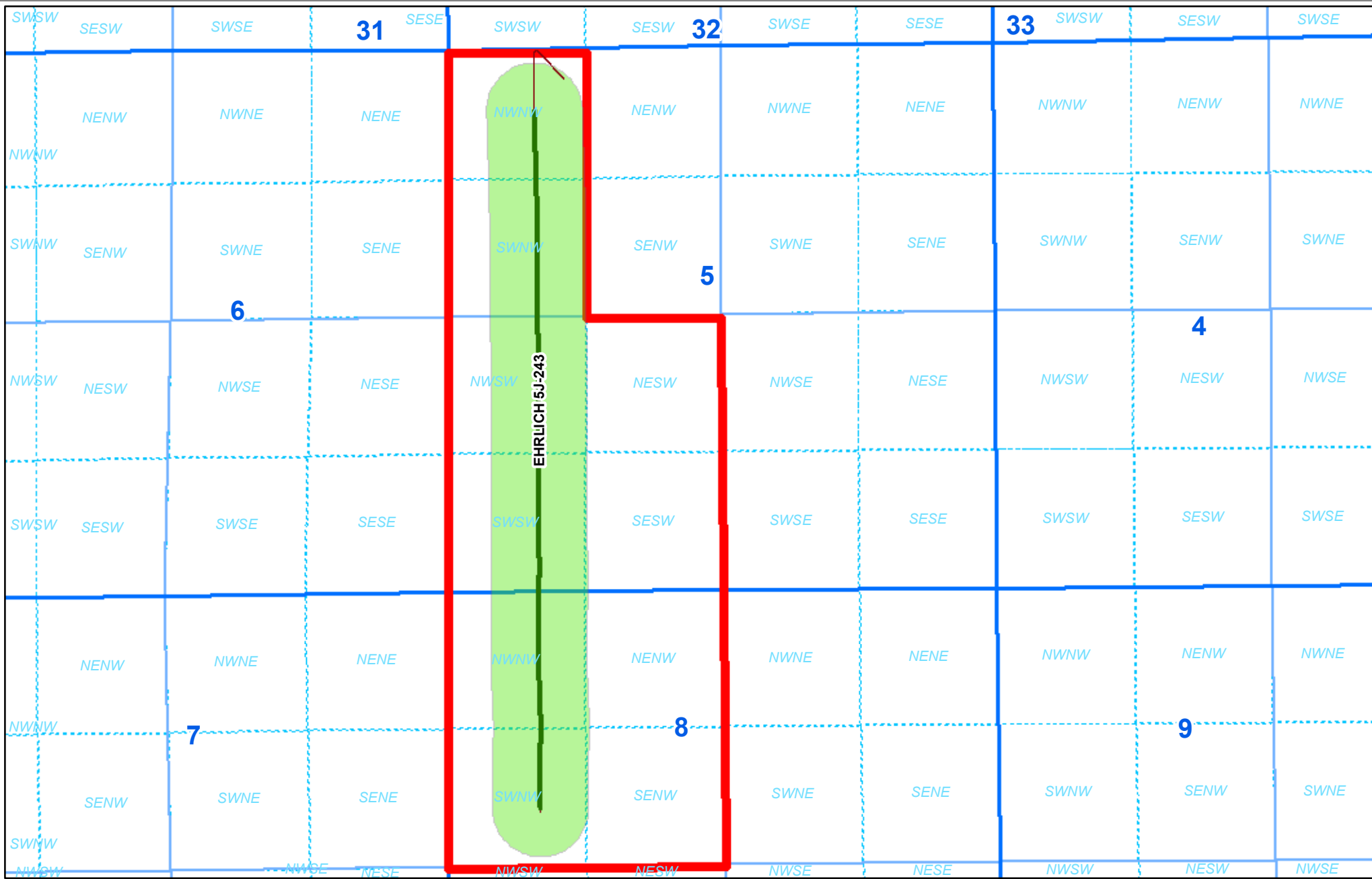
Joan M. Johnston
The Gervais Revocable Trust u/a/d December 15, 2000
Anita L. Plumb
Ovid A. Plumb
Carolyn Plumb
Nancy Jayne Allnut
Dorothy Jean Peterson
Ron Baker, subject to the life estate of The Phyllis L. Dunn Living Trust u/a/d March 7, 2001
Marsha Baker, subject to the life estate of The Phyllis L. Dunn Living Trust u/a/d March 7, 2001
Roberta Jean Nelson
Patricia Ellen Burch
Regal Petroleum, L.L.C.
Donna Marie Arnold
2004 Patterson Family Revocable Trust u/d/t August 31, 2004
Ogilvy Land and Irrigating Company
Kenneth W. Jurgens
Jeanette Ann Collins
Jack Allen Walter
Pearl Aline Held
Suzanne Muller
Incline Niobrara Partners, LP
BTA Oil Producers, LLC

EXHIBIT B

Wellbore Spacing Unit Map

Ehrlich 5J-243 Well







[ATTACHED]



**DJ Spacing Unit
'EHRlich 5J-243'**

Date: 2/15/2018

Legend

-  Townships
-  Sections
-  Qtr Qtr (Weld Cty)
-  Spacing Unit
-  460' Foot Wellbore Buffer
-  Spaced Wellbore

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