

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

IN THE MATTER OF THE PROMULGATION)	CAUSE NO.	407
AND ESTABLISHMENT OF FIELD RULES)		
TO GOVERN OPERATIONS FOR THE)	DOCKET NO.	180600407
NIOBRARA AND CODELL FORMATIONS,)		
WATTENBERG FIELD, WELD COUNTY,)	TYPE:	SPACING
COLORADO)		

SECOND AMENDED 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 4,1201,200-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 twelve (12) 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 4 North, Range 66 West, 6th P.M.
Section 31: SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

Township 4 North, Range 67 West, 6th P.M.
Section 34: S $\frac{1}{2}$
Section 35: S $\frac{1}{2}$
Section 36: S $\frac{1}{2}$

Weld County, Colorado (containing a total of approximately 4,1201,200 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. The COGCC has not published any additional orders affecting the Application Lands as of the date of this Application.

6. The Application Lands currently contain twenty-two (22) 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 ~~4,120~~**1,200**-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 twelve (12) horizontal wells in the proposed approximate ~~4,120~~**1,200**-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. Applicant states that any permitted wells will be drilled in an east-west orientation or a west-east orientation.

11. The proposed wells shall be drilled from a maximum of two (2) well pads located within the approximate ~~4,420~~**1,200**-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

12. 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.

13. 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.

14. 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 ~~4,420~~**1,200**-acre drilling and spacing unit for the Application Lands and approve up to twelve (12) 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 ~~2nd day of May~~ 25th day of June, 2018.

Respectfully submitted,

PDC ENERGY, INC.

By: Courtney M. Shephard
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)
) ss.
CITY AND COUNTY OF DENVER)

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 25th day of June, 2018.

Witness my hand and official seal.
My commission expires: Feb. 20, 2022

JAIMEE WALDEN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144007055
COMMISSION EXPIRES FEB. 20, 2022

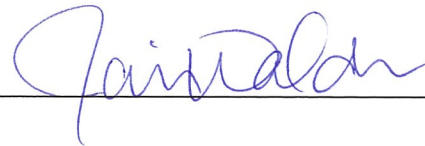


Exhibit A

Interested Party List
Spacing Application

Township 4 North, Range 66 West, 6th P.M.
Section 31: SW $\frac{1}{4}$, **W $\frac{1}{2}$ SE $\frac{1}{4}$**

Township 4 North, Range 67 West, 6th P.M.
Section 34: S $\frac{1}{2}$
Section 35: S $\frac{1}{2}$
Section 36: S $\frac{1}{2}$

PDC Energy, Inc.	Weld County Department of Planning Services
Colorado Parks and Wildlife	Colorado Department of Public Health & Environment
SRC Energy Inc.	Barry L. Snyder
Taku Resources LLC	Mustang Triangle Energy, Inc.
Cimmaron Resources, Inc.	Sonic Oil & Gas, L.P.
Christopher Edwards	

Exhibit B

Reference Map of Application Lands

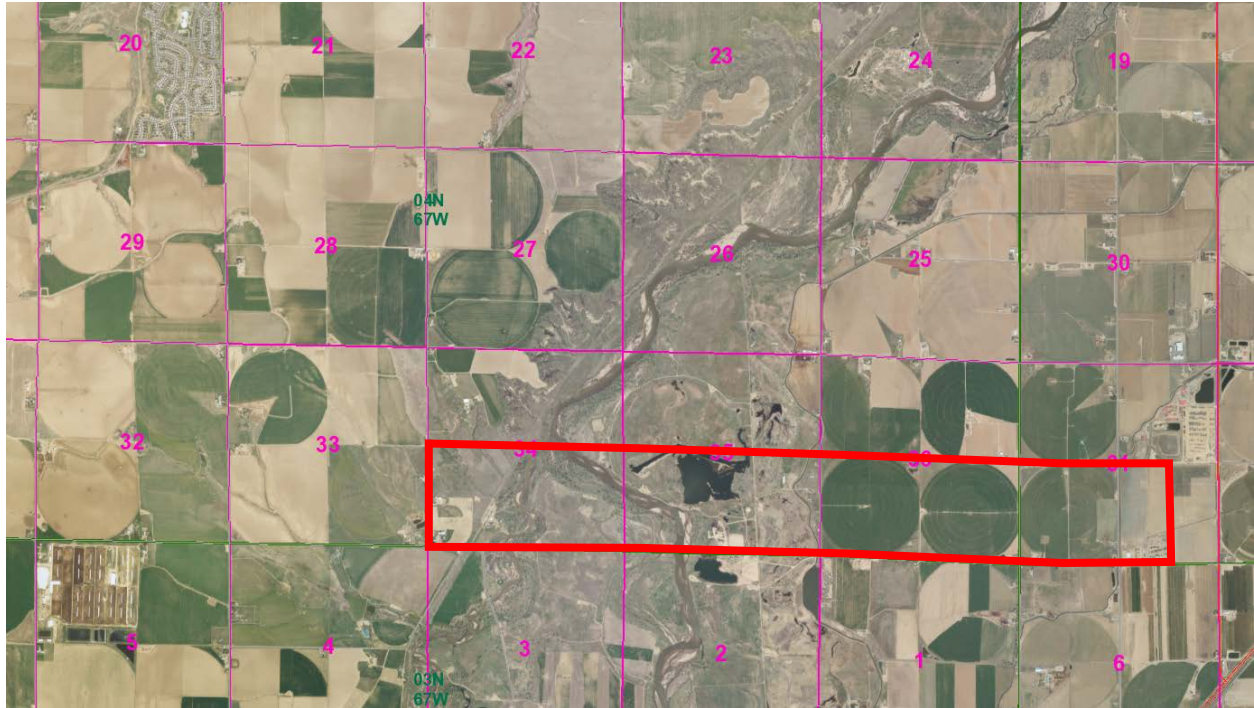


Exhibit C

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>
05-123-16697	HSR-JENKINS 14-31	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2015	WELD 123 SESW 31 4N 66W 6	None listed
05-123-22609	BESKAS STATE 9-36	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 36 4N 67W 6	232-23; 407-87
05-123-16297	HSR-LEVINE 9-36	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 36 4N 67W 6	None listed
05-123-17612	HSR-DUNN 10-36	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 4/1/2016	WELD 123 NWSE 36 4N 67W 6	None listed
05-123-15446	STATE 36-12E	NOBLE ENERGY INC 100322	PR 10/1/2017	WELD 123 NWSW 36 4N 67W 6	None listed
05-123-16694	HSR-JONES 16-36	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 36 4N 67W 6	None listed
05-123-16693	HSR-ELLISON 15-36A	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 36 4N 67W 6	232-23
05-123-25967	PLATTE 40-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 35 4N 67W 6	Rule 318A
05-123-25631	PLATTE 39-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESE 35 4N 67W 6	407-87
05-123-24216	PLATTE 11-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 35 4N 67W 6	407-87

05-123-16296	HSR-POPE 11-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NESW 35 4N 67W 6	None listed
05-123-20419	HSR-SHARKEY 10-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 NWSE 35 4N 67W 6	407-87
05-123-21619	PLATTE 20-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 35 4N 67W 6	407-66
05-123-16447	HSR-DAVIS 16-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 35 4N 67W 6	232-23
05-123-16539	HSR-BARRON 15-35	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SWSE 35 4N 67W 6	None listed
05-123-10530	JOHNSON 1-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 CSW 34 4N 67W 6	None listed
05-123-21598	PSC 10-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 NWSE 34 4N 67W 6	407-87
05-123-21640	PSC 16-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 2/1/2017	WELD 123 SESE 34 4N 67W 6	407-87
05-123-18815	PSC 43-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 5/1/2017	WELD 123 SESE 34 4N 67W 6	None listed
05-123-10807	FORT SAINT VRAIN 17	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2018	WELD 123 SESE 34 4N 67W 6	407-87
05-123-10894	JOHNSON 3-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	SI 1/1/2018	WELD 123 SWSW 34 4N 67W 6	232-23; 499-15; 232-23

05-123- 23541	ZADEL 33-34	KERR MCGEE OIL & GAS ONSHORE LP 47120	PR 12/1/2017	WELD 123 SWSW 34 4N 67W 6	None listed
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WATTENBERG FIELD, WELD COUNTY,) 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 June 25, 2018, she caused a copy of the Second Amended Application submitted to COGCC of even date, to be deposited in the United States Mail, postage prepaid, addressed to the interested parties with known addresses listed on Exhibit A to the Second Amended 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 25th day of June, 2018.

My commission expires: 06-03-2019

PARASIA OLEKSIUK
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154021765
MY COMMISSION EXPIRES JUNE 3, 2019

[Signature]