

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.
CODELL AND FORT HAYS FORMATIONS,)
WATTENBERG FIELD, WELD COUNTY,) TYPE: POOLING
COLORADO)

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. 407-1722 to reflect the as-drilled acreage for the Cecil's Kersey Farm 17K-404 Well (API No. 05-123-42904) ("Well"), which consists of the following lands, and to pool all interests within the 400-acre Wellbore Spacing Unit, as further defined below, for the drilling of the Well, for the development of the Codell and Fort Hays Formations:

Township 5 North, Range 64 West, 6th P.M.
Section 18: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Township 5 North, Range 65 West, 6th P.M.
Section 13: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

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 August 12, 2011, the Commission entered Order No. 407-469, which, among other things, pooled all nonconsenting interests in an approximate 160-acre wellbore spacing unit for the NE $\frac{1}{4}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the Puype B #18-17 Well (API No. 05-123-29600), from the Codell and Niobrara Formations. Order No. 407-469 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

6. On August 10, 2017, the Commission entered Order No. 407-2162, which, among other things, pooled all nonconsenting interests in an approximate 720-acre wellbore spacing unit for the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 7, W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 18, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 19, Township 5 North, Range 64 West, 6th P.M., and the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 12, E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 13, and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 24, Township 5 North, Range 65 West, 6th P.M., for the Sandin 24V-401 Well (API No. 05-123-44666), from the Codell Formation. Order No. 407-2162 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

7. PDC filed this Application to amend Order No. 407-1722 to apply only to the as-drilled lands, and to pool all interests within the Wellbore Spacing Unit, as defined below, to the Fort Hays Formation as well as to the previously pooled Codell Formation. The Commission entered Order No. 407-1722 on June 20, 2016. Order No. 407-1722 pooled, among other things, all nonconsenting interests in an approximate 480-acre wellbore spacing unit for the SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17, and S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., from the Codell Formation. After the Commission entered Order No. 407-1722, PDC modified its drilling plans for the Well and, as a result, added the Fort Hays Formation and reduced the size of the wellbore spacing unit for the Well to a 400-acre unit consisting of the following lands:

Township 5 North, Range 64 West, 6th P.M.
Section 18: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Township 5 North, Range 65 West, 6th P.M.
Section 13: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

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

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

9. On February 26, 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 and to add the Fort Hays Formation as an objective formation.

10. Under the provisions of Rule 530 and C.R.S. § 34-60-116(6)–(7), PDC requests that the Commission amend Order No. 407-1722 to reflect the as-drilled acreage of the Well, to add the Fort Hays Formation, and, accordingly, to apply the involuntary pooling provisions of Order No. 407-1722 to only the Wellbore Spacing Unit as to the Codell and Fort Hays Formations.

11. PDC requests that the Commission's amended Order No. 407-1722 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 Cecil's Kersey Farm 17K-404ST Well to the Codell and Fort Hays Formations in the Wellbore Spacing Unit.

12. 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.

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. 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 Application Lands to be pooled within seven (7) days of the date hereof, 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 Well, and will be provided with the information required by Rule 530. The list of such Interested Parties, with all known parties to be pooled, is attached as Exhibit A.

15. 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. 407-1722 to apply only to the Wellbore Spacing Unit for the Cecil's Kersey Farm 17K-404ST Well, drilled to develop the Codell and Fort Hays Formations;
- B. Pooling all interests in the Application Lands and the Wellbore Spacing Unit for the development of the Codell and Fort Hays Formations;
- C. Providing that the Commission's pooling order is made effective as of the earlier date of the 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 Cecil's Kersey Farm 17K-404ST Well in the Wellbore Spacing Unit to the Codell and Fort Hays Formations on the Application Lands;

- D. Providing that the interests of any owners with whom PDC has been unable to secure a lease, other agreement to participate in the drilling of the authorized well(s), or those who consented to be pooled are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to the Cecil's Kersey Farm 17K-404ST Well drilled to develop the Codell and Fort Hays Formations in the Wellbore Spacing Unit comprised of the Application Lands; and
- E. Providing for such other findings and order as the Commission may deem proper or advisable in this matter.

DATED this 17th day of April, 2018.

Respectfully submitted,

PDC Energy, Inc.

By: 

Michael T. Jewell, Esq. #40902
Courtney M. Shephard, #47668
Burns, Figa & Will, P.C.
6400 S. Fiddler's Green Circle – Suite 1000
Greenwood Village, CO 80111

PDC Energy, Inc.
Mr. Nicholas Lebsock, Regional Landman
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 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. 407-1722 for the Cecil's Kersey Farm 17K-404ST 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.



Ronald Nicholas Lebsock

Subscribed and sworn to before me this 16th day of April, 2018.

Witness my hand and official seal.
My commission expires: 01-07-2021



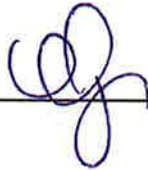


EXHIBIT A

Interested Parties

Cecil's Kersey Farm 17K-404ST Well

“*” denotes the interested parties that may be subject to the statutory cost recovery provisions of C.R.S. § 34-60-116.

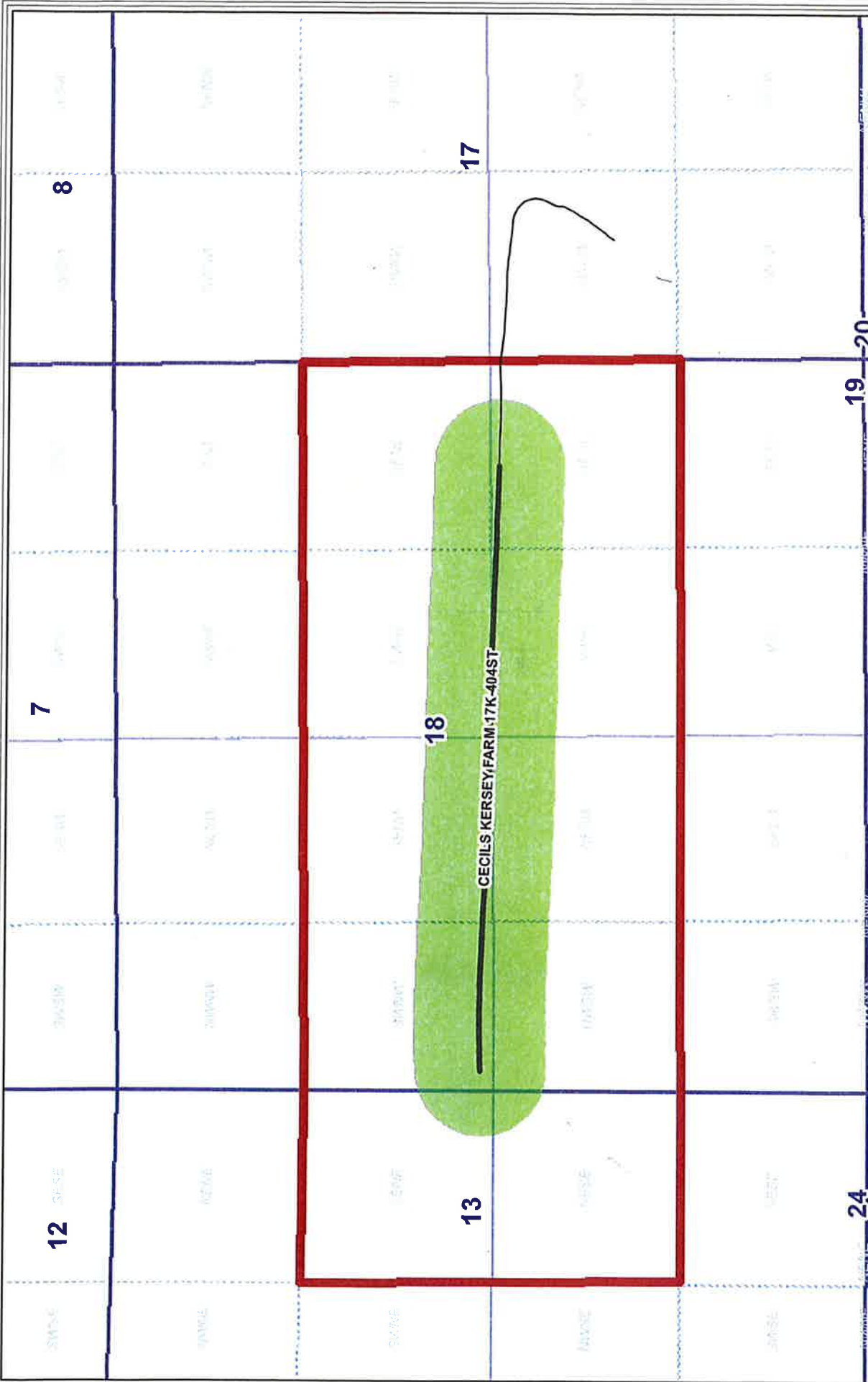
PDC Energy, Inc.
Incline Niobrara Partners, LP
Wilman Investments, Inc.*
Andrew Jay Hop
Blackriver Niobrara Partners LLC
Debra Jo Green
Dennis L. & Rebecca L. Dougherty, JT
DLCR LLC
Francis E. & Helen D. Puype
HAI Consulting Inc
Incline Niobrara Partners LP
James W. Park
Janice C. Garvey
Joan P. Camp
Laurence J. Moore, Julia Sommer Stefani Miller & John Moore POA
Legacy Royalties LTD
Leroy A. Jr. & Arlene M. Williams, JTWROS
Linda M. Stanley

McCulliss Oil & Gas Inc.
Patricia P. Mulligan
Paula Lee Hop Exemption Trust
Petrobella Energy Inc.
Principle Energy LLC, Louisiana Limited Liability Co.
Ram Land Co. LLC
Raymond Chet Watters
Ronald Eugene Watters
Ruth Ann Odle
Todd & Kristen Bean, JT
Wolverine Energy Holdings LLC

EXHIBIT B






Wellbore Spacing Unit Map & Plat
Cecil's Kersey Farm 17K-404ST Well

[ATTACHED]



DJ Spacing Unit
CECILS KERSEY FARM 17K-404ST
Date: 2/26/2018

Legend

-  Townships
-  Sections
-  Spacing Unit
-  460' Foot Wellbore Buffer
-  Spaced Wellbore

Disclaimer: PDC Energy, Inc. makes no representation or warranty regarding the accuracy or completeness of this map, which is being provided as a courtesy only. PDC Energy, Inc. expressly disclaims all liability and responsibility for any representation, warranty, statement or other information contained in this map, including, but not limited to, the accuracy, character or nature of any information contained in this map, including, but not limited to, the accuracy of leasehold acreage positions, well locations and statuses and any other information depicted. Any conclusions derived from this map are at the sole cost, risk and expense of the user.
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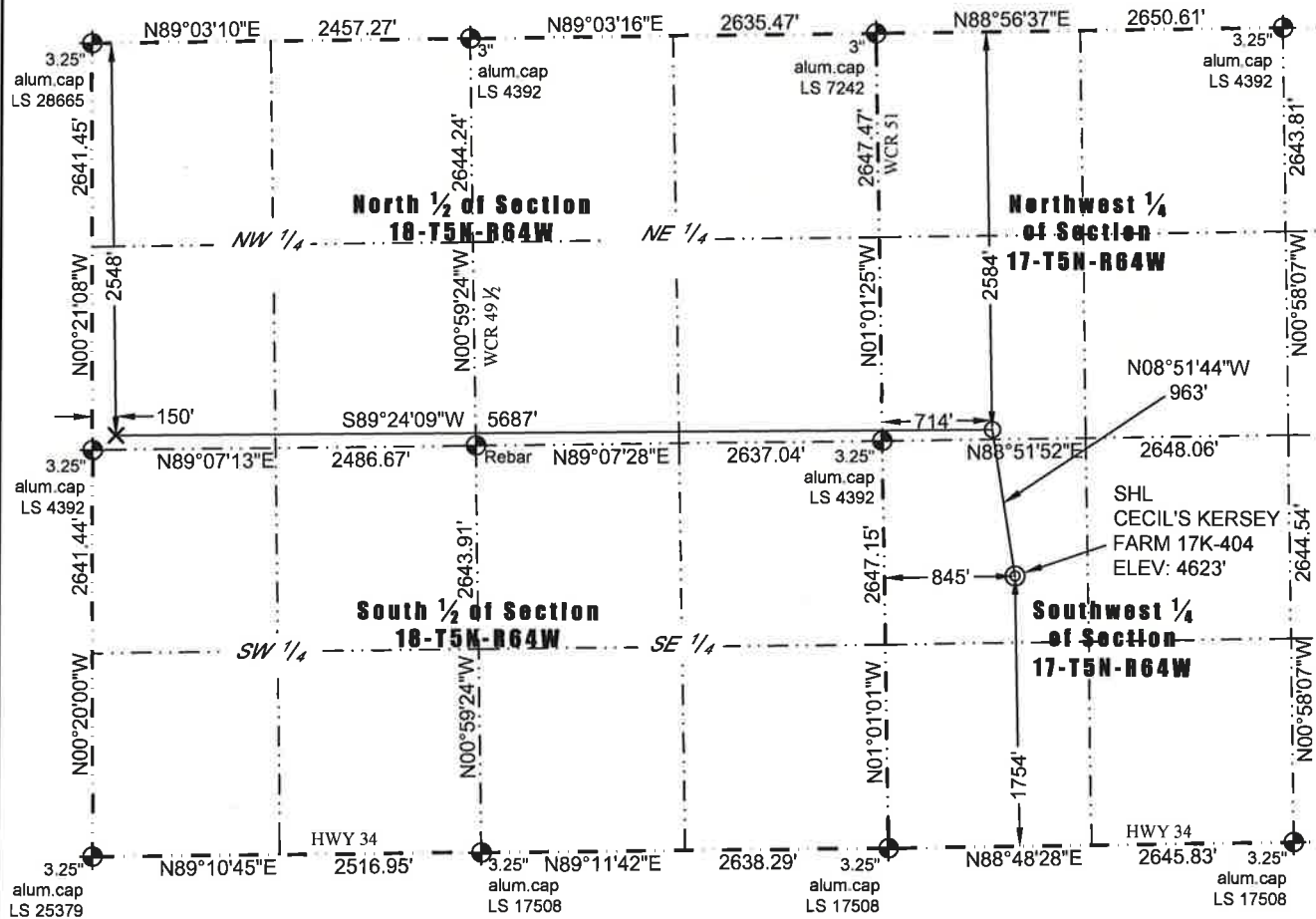
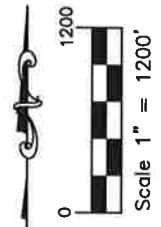




Washburn Land Surveying
www.WashburnSurveying.com
970-232-9645

WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY



In accordance with a request from Barney Hammond of PDC Energy, Inc., Washburn Land Surveying, LLC has determined the location of the **CECIL'S KERSEY FARM 17K-404** well site to be SHL: 1754' FSL and 845' FWL, (BHL: 2548' FNL and 150' FWL), as measured at ninety (90) degrees from the section lines of Sections 17 and 18, Township 5 North, Range 64 West of the 6th Principal Meridian, Weld County Colorado.

Proposed Surface Hole Data:

Latitude: N 40.396743°
Longitude: W 104.580386°
PDOP: 2.0

Proposed Bottom Hole Data:

Latitude: N 40.399356°
Longitude: W 104.601302°

Proposed Entry Point Data:

Latitude: N 40.399359°
Longitude: W 104.580883°

LEGEND

- ⊕ - Found Survey Monument
- (c) - Calculated Dimension
- ⊙ - Surface Hole Location (SHL)
- - Entry Point Location (EPL)
- ✕ - Bottom Hole Location (BHL)

Nearest Cultural Items:

Building: 1035' NW
Building Unit: 1091' NW
Above Ground Utility: 877' N
Public Road: 827' W

Property Line: 296' NW
Railroad: 4526' SE
High Occupancy Building Unit: +5280'
Designated Outside Activity Area: +5280'

Notes:

- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate, using RTK GPS observations taken 7/23/15 by operator Jason Dahiman.
- 2) Conversion factor to ground (1.0002571888).
- 3) Elevations based on NAVD 88 GPS heights and Geoid 2009 corrections.
- 4) See Location Drawing for visible improvements within 500 feet of Pad Site.
- 5) The surface use is a cultivated field.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification shown hereon.

I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 9/25/2015 and on behalf of PDC Energy, Inc. and that it is not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

John Robert McGehee, S#38219
Well: CECIL'S KERSEY FARM 17K-404 WLC

