

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.	
NIOBRARA AND CODELL FORMATIONS,)		
WATTENBERG FIELD, WELD COUNTY,)	TYPE:	SPACING
COLORADO)		

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 1,680-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 twenty-two (22) 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 5 North, Range 64 West, 6th P.M.

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

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

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

Township 4 North, Range 64 West, 6th P.M.

Section 4: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 5: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 6: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Weld County, Colorado (containing a total of approximately 1,680 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. On August 12, 2011, the Commission entered Order No. 407-452, which, among other things, established an approximate 320-acre wellbore spacing unit for the Schmidt PC C #06-69HC Well (API No. 05-123-34389) consisting of the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 5, Township 4 North, Range 64 West, 6th P.M., and the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 31, Township 5 North, Range 64 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Schmidt PC C #06-69HC Well and asserts that the production and payments from the Schmidt PC C #06-69HC Well should be maintained under the authority of Order No. 407-452 and other applicable Commission orders and rules.

6. Also on August 12, 2011, the Commission entered Order No. 407-465, which, among other things, established an approximate 400-acre wellbore spacing unit for the Schmidt PC C #06-79HN Well (API No. 05-123-34238) consisting of the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 6, Township 4 North, Range 64 West, 6th P.M.; the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 1, Township 4 North, Range 65 West, 6th P.M.; the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, Township 5 North, Range 64 West, 6th P.M.; and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 5 North, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Schmidt PC C #06-79HN Well and asserts that the production and payments from the Schmidt PC C #06-79HN Well should be maintained under the authority of Order No. 407-465 and other applicable Commission orders and rules.

7. As of the date of this Application, the COGCC has not published any additional orders affecting spacing of the Application Lands.

8. The Application Lands currently contain sixty-three (63) 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.

9. The proposed approximate 1,680-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells.

10. PDC requests that the Commission approve the development of up to twenty-two (22) horizontal wells in the proposed approximate 1,680-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.

11. 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.

12. Applicant states that any permitted wells will be drilled in an east-west orientation or a west-east orientation.

13. The proposed wells shall be drilled from a maximum of two (2) well pads located within the approximate 1,680-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

14. 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.

15. 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.

16. 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 1,680-acre drilling and spacing unit for the Application Lands and approve up to twenty-two (22) 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 31st day of May, 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. Daniel R. McCoy
1775 Sherman Street - Suite 3000
Denver, CO 80203

VERIFICATION

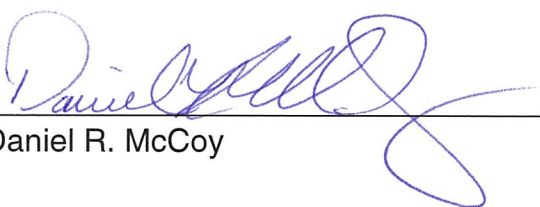
STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER) ss.

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 30th day of May, 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

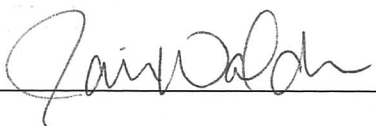


Exhibit A

Interested Party List
Spacing Application

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

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

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Section 6: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

PDC Energy, Inc.	Weld County Department of Planning Services
Colorado Parks and Wildlife	Colorado Department of Public Health & Environment
David J. Calvin	Incline Niobrara Partners, LP
Tenison Oil Company	Colorado Energy Minerals, Inc.
Hoffman Management Corp.	Raymond G. Schmier
Alice K. Schmeir	James Leland and Mary Lou Rogers, JT
SW Production Company	

Exhibit B

Reference Map of Application Lands

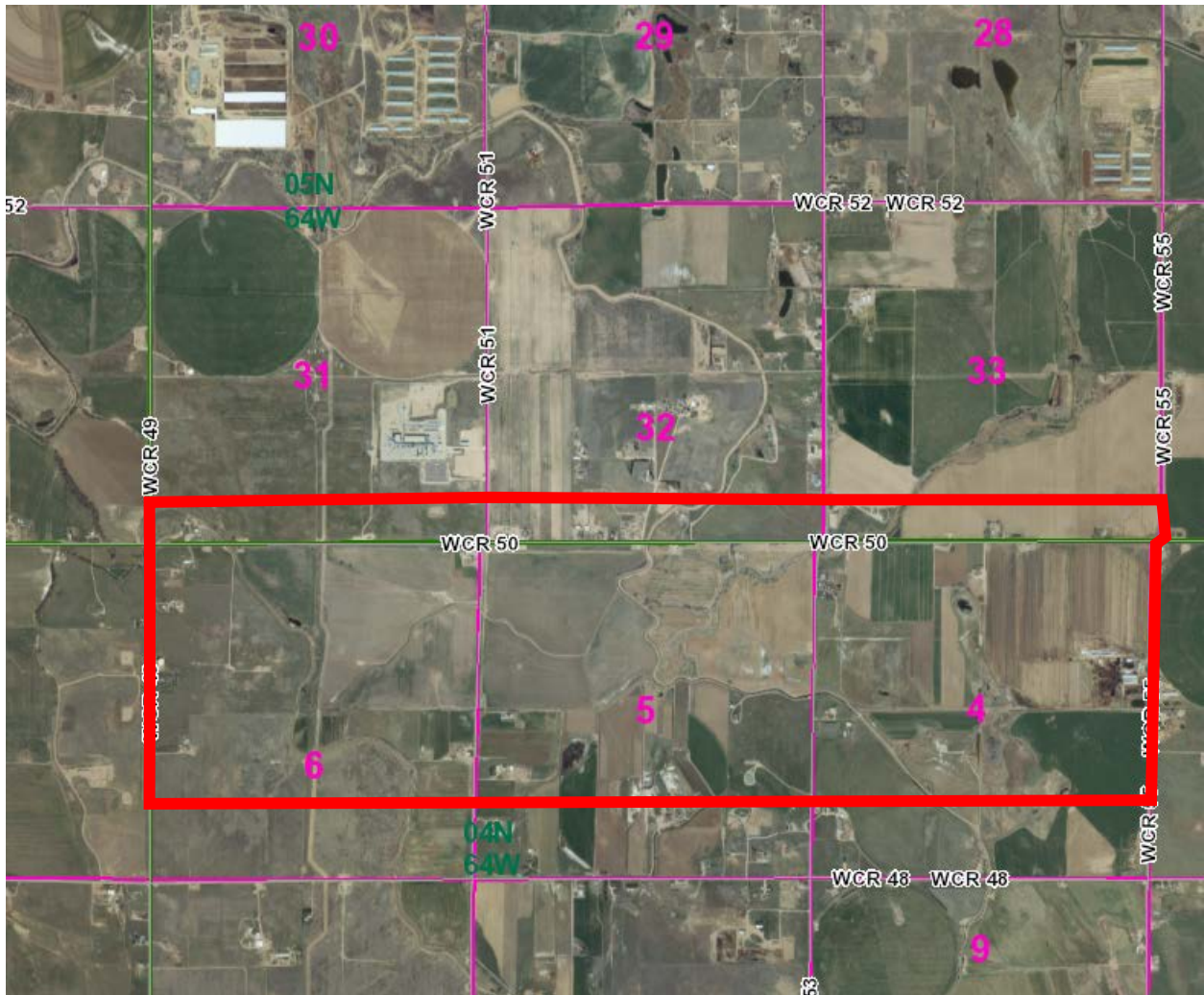


Exhibit C

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>
05-123-22440	OCOMA B 31-23	NOBLE ENERGY INC 100322	PR 9/13/2014	WELD 123 SESE 31 5N 64W 6	407-87
05-123-13352	OCOMA B31-16	NOBLE ENERGY INC 100322	SI 12/1/2017	WELD 123 SESE 31 5N 64W 6	None
05-123-13715	GEMINI UPRR B31-14	NOBLE ENERGY INC 100322	PR 5/25/1999	WELD 123 SESW 31 5N 64W 6	None
05-123-28057	THISTLE DOWN B 31-24	NOBLE ENERGY INC 100322	SI 2/1/2018	WELD 123 SESW 31 5N 64W 6	407-87
05-123-13395	OCOMA UPRR LEASE B31-15	NOBLE ENERGY INC 100322	SI 9/1/2017	WELD 123 SWSE 31 5N 64W 6	None
05-123-13714	GEMINI UPRR B31-13	NOBLE ENERGY INC 100322	PR 9/1/2011	WELD 123 SWSW 31 5N 64W 6	None
05-123-13181	BOREN 1-32	NOBLE ENERGY INC 100322	SI 8/1/2017	WELD 123 SESW 32 5N 64W 6	None
05-123-14406	CHITTEND EN 2-32	NOBLE ENERGY INC 100322	PR 2/1/2018	WELD 123 SWSE 32 5N 64W 6	None
05-123-16976	HSR- TULLBER G 13-32	NOBLE ENERGY INC 100322	PR 5/24/1993	WELD 123 SWSW 32 5N 64W 6	None
05-123-21618	SCHMIER 19-32	NOBLE ENERGY INC 100322	PR 10/10/2007	WELD 123 SWSW 32 5N 64W 6	407-87
05-123-10836	ECKHARD T 1	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 SESE 33 5N 64W 6	None
05-123-10786	ECKHARD T 2	NOBLE ENERGY INC 100322	SI 9/1/2017	WELD 123 SESW 33 5N 64W 6	None

05-123-17815	ECKHARD T 33-15	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 SWSE 33 5N 64W 6	None
05-123-12538	WILMOTH 6-2	NOBLE ENERGY INC 100322	SI 3/1/2017	WELD 123 NENE 6 4N 64W 6	None
05-123-18724	Ard 06-0314	NOBLE ENERGY INC 100322	SI 6/1/2016	WELD 123 NENW 6 4N 64W 6	Rule 318A
05-123-21834	ARD C 6-3JI	NOBLE ENERGY INC 100322	SI 11/1/2017	WELD 123 NENW 6 4N 64W 6	232-23; 407-87
05-123-12524	DINNER 6-2	NOBLE ENERGY INC 100322	SI 5/1/2017	WELD 123 NESW 6 4N 64W 6	None
05-123-12676	WILMOTH 6-3	NOBLE ENERGY INC 100322	SI 3/1/2017	WELD 123 NWNE 6 4N 64W 6	None
05-123-11523	ARD 11-6	NOBLE ENERGY INC 100322	SI 9/1/2017	WELD 123 NWNW 6 4N 64W 6	None
05-123-17359	DIETRICH 6-10	NOBLE ENERGY INC 100322	SI 5/1/2017	WELD 123 NWSE 6 4N 64W 6	407-87
05-123-31200	ARD PC C 06-21D	NOBLE ENERGY INC 100322	PR 3/1/2018	WELD 123 SEnw 6 4N 64W 6	407-87
05-123-31201	ARD PC C 06-20d	NOBLE ENERGY INC 100322	PR 12/1/2017	WELD 123 SEnw 6 4N 64W 6	232-23; 407-87
05-123-34795	ARD C06-18D	NOBLE ENERGY INC 100322	SI 6/1/2017	WELD 123 SEnw 6 4N 64W 6	232-23; 407-87
05-123-12110	COBB 6-1	NOBLE ENERGY INC 100322	PR 3/1/2018	WELD 123 SEnw 6 4N 64W 6	Rule 318A
05-123-12537	WILMOTH 6-1	NOBLE ENERGY INC 100322	SI 9/1/2017	WELD 123 SWNE 6 4N 64W 6	None
05-123-15898	COBB 6-23	NOBLE ENERGY INC 100322	SI 9/1/2017	WELD 123 SWNW 6 4N 64W 6	407-87
05-123-16882	KUIS C 5-1	NOBLE ENERGY INC 100322	SI 3/1/2018	WELD 123 NENE 5 4N 64W 6	407-87

05-123-33547	CONNELL C04-31D	NOBLE ENERGY INC 100322	PR 12/1/2017	WELD 123 NENE 5 4N 64W 6	407-87
05-123-14207	WILMOTH PM C 5-3	NOBLE ENERGY INC 100322	PR 6/27/1989	WELD 123 NENW 5 4N 64W 6	None
05-123-26206	WILMOTH C 5-18	NOBLE ENERGY INC 100322	PR 12/7/2007	WELD 123 NENW 5 4N 64W 6	407-87
05-123-21178	REISTAD C 5-9	NOBLE ENERGY INC 100322	PR 2/6/2007	WELD 123 NESE 5 4N 64W 6	407-87
05-123-34336	BURMAN C 05-22D	NOBLE ENERGY INC 100322	PR 8/1/2017	WELD 123 NESE 5 4N 64W 6	232-23; 407-87
05-123-34337	BURMAN C 04-33D	NOBLE ENERGY INC 100322	PR 3/1/2018	WELD 123 NESE 5 4N 64W 6	232-23; 407-87
05-123-34338	BURMAN C 05-23D	NOBLE ENERGY INC 100322	PR 8/1/2017	WELD 123 NESE 5 4N 64W 6	232-23; 407-87
05-123-34340	BURMAN C 05-17D	NOBLE ENERGY INC 100322	PR 8/1/2017	WELD 123 NESE 5 4N 64W 6	232-23; 407-87
05-123-34341	BURMAN C 05-24D	NOBLE ENERGY INC 100322	PR 8/1/2017	WELD 123 NESE 5 4N 64W 6	232-23; 407-87
05-123-34342	BURMAN C 05-21D	NOBLE ENERGY INC 100322	PR 8/1/2017	WELD 123 NESE 5 4N 64W 6	232-23; 407-87
05-123-34343	BURMAN C 04-32D	NOBLE ENERGY INC 100322	PR 11/1/2017	WELD 123 NESE 5 4N 64W 6	232-23; 407-87
05-123-12415	HINKLE 23-5	PDC ENERGY INC 69175	SI 9/1/2017	WELD 123 NESW 5 4N 64W 6	None
05-123-11586	NIKOLORI C 11-5	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 NWNW 5 4N 64W 6	None
05-123-11117	OPDYKE/ HINKLE 1	NOBLE ENERGY INC 100322	PR 9/13/2014	WELD 123 NWSE 5 4N 64W 6	None
05-123-14208	ROUKEMA PM C 5-12	NOBLE ENERGY INC 100322	PR 7/1/1989	WELD 123 NWSW 5 4N 64W 6	None

05-123-12781	SMITH-REEVES 42-5	PDC ENERGY INC 69175	SI 7/1/2017	WELD 123 SENE 5 4N 64W 6	None
05-123-24522	NICMOTH C 5-19	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 SENE 5 4N 64W 6	407-87
05-123-22051	WILMOTH C 5-6	NOBLE ENERGY INC 100322	PR 3/20/2008	WELD 123 SENE 5 4N 64W 6	407-87
05-123-17894	SITZMAN 4-114	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 NENE 4 4N 64W 6	407-87
05-123-24972	SITZMAN C 4-27	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 NENE 4 4N 64W 6	407-87
05-123-24872	CONNELL C 4-29	NOBLE ENERGY INC 100322	PR 6/12/2007	WELD 123 NENE 4 4N 64W 6	407-87
05-123-17975	CONNELL 4-314	NOBLE ENERGY INC 100322	PR 3/30/2005	WELD 123 NENE 4 4N 64W 6	407-87
05-123-27356	CONNELL C 4-19	NOBLE ENERGY INC 100322	PR 11/21/2006	WELD 123 NENE 4 4N 64W 6	407-87
05-123-18162	WILMOTH 4-914	NOBLE ENERGY INC 100322	SI 7/1/2017	WELD 123 NESE 4 4N 64W 6	407-87
05-123-10819	SITZMAN 1	NOBLE ENERGY INC 100322	PR 12/14/2009	WELD 123 NENE 4 4N 64W 6	None
05-123-24991	SITZMAN C 4-28	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 NENE 4 4N 64W 6	407-87
05-123-10831	CONNELL 1	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 NENE 4 4N 64W 6	None
05-123-10820	CONNELL 2	NOBLE ENERGY INC 100322	SI 10/1/2016	WELD 123 NENE 4 4N 64W 6	None
05-123-10834	SITZMAN 2	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 SENE 4 4N 64W 6	None
05-123-25181	SITZMAN C 4-22	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 SENE 4 4N 64W 6	407-87

05-123-24873	CONNELL C 4-18	NOBLE ENERGY INC 100322	PR 12/1/2017	WELD 123 SEW 4 4N 64W 6	Rule 318A
05-123-05150	EHRlich 1	NOBLE ENERGY INC 100322	PR 4/1/2017	WELD 123 SEW 4 4N 64W 6	None
05-123-27308	SITZMAN C 4-17	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 SWNE 4 4N 64W 6	407-87
05-123-17895	SITZMAN 4-714	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 SWNE 4 4N 64W 6	407-87
05-123-21715	CONNELL C 4-5	NOBLE ENERGY INC 100322	SI 1/1/2017	WELD 123 SWNW 4 4N 64W 6	407-87
05-123-24852	CONNELL C 4-20	NOBLE ENERGY INC 100322	SI 1/1/2018	WELD 123 SWNW 4 4N 64W 6	407-87

