

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

| | | |
|----------------------------------|---|---------------|
| IN THE MATTER OF THE APPLICATION |) | CAUSE NO. |
| OF THE PROMULGATION AND |) | |
| ESTABLISHMENT OF FIELD RULES TO |) | DOCKET NO. |
| GOVERN OPERATIONS FOR THE |) | |
| NIOBRARA FORMATION, WATTENBERG |) | TYPE: POOLING |
| FIELD, WELD COUNTY, 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 pooling all interests within three approximate 400-acre Wellbore Spacing Units, as further defined below, for the drilling of the J Clark 6N Well (API No. 05-123-46690), J Clark 5N Well (API No. 05-123-46694), and the J Clark 4N Well (API No. 05-123-46687) ("Wells"), for the development of the Niobrara Formation on the following described lands:

Township 5 North, Range 65 West, 6th P.M.

Section 11: W $\frac{1}{2}$

Section 14: N $\frac{1}{2}$ NW $\frac{1}{4}$

Weld County, Colorado, containing approximately 400.00 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. 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 W $\frac{1}{2}$ of Section 11 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 14, Township 5 North, Range 65 West, 6th P.M., are subject to Rule 318A for the Niobrara Formation.

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 W½ of Section 11 and the N½NW¼ of Section 14, Township 5 North, Range 65 West, 6th P.M., with the permitted well locations in accordance with the provisions of Order 407-1.

5. PDC designated these three approximate 400-acre Wellbore Spacing Units for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation as provided by Rule 318A and notified the appropriate parties under Rule 318A.

6. Under the provisions of Rule 530 and C.R.S. § 34-60-116(6)–(7), PDC requests an order pooling all interests, including non-consenting interests and the ability to drill through all tracts, in the Application Lands for the development of the Niobrara Formation underlying the following three approximate 400-acre Wellbore Spacing Units:

Wellbore Spacing Units (each approximately 400.00 acres):
J Clark 6N Well (API No. 05-123-46690) – Niobrara
J Clark 5N Well (API No. 05-123-46694) – Niobrara
J Clark 4N Well (API No. 05-123-46687) – Niobrara

Township 5 North, Range 65 West, 6th P.M.
Section 11: W½
Section 14: N½NW¼

Weld County, Colorado (“Wellbore Spacing Units” in this Application)

7. PDC requests that the Commission’s pooling order 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 J Clark 6N Well, J Clark 5N Well, and the J Clark 4N Well to the Niobrara Formation on the Application Lands.

8. 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 Wells, 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.

9. In order to prevent waste and to protect correlative rights, all interests and tracts in the Wellbore Spacing Units 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. Pooling all interests in the Application Lands and the Wellbore Spacing Units for the development of the Niobrara Formation;
- B. 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 J Clark 6N Well, J Clark 5N Well, and the J Clark 4N Well in the Wellbore Spacing Units to the Niobrara Formation on the Application Lands;
- C. 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 J Clark 6N Well, J Clark 5N Well, and the J Clark 4N Well drilled to develop the Niobrara Formation in the Wellbore Spacing Units comprised of the Application Lands; and
- D. Providing for such other findings and order as the Commission may deem proper or advisable in this matter.

[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)
) 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 – PDC Energy, Inc., which address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.
2. He has read the attached application for the J Clark 6N Well, J Clark 5N Well, and the J Clark 4N 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.

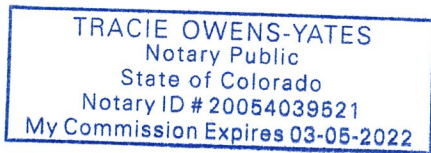
Further Affiant sayeth not.


Daniel R. McCoy

Subscribed and sworn to before me this 31st day of May, 2018.

Witness my hand and official seal.

My commission expires: 3/5/2022



Teacher

EXHIBIT A

Interested Parties

J Clark 6N Well, J Clark 5N Well, and the J Clark 4N 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* |
| Colorado Energy Minerals, Inc.* |
| Evertson Well Service, Inc.* |
| Jeannine McArthur* |
| Anthony S. Rogers |
| Barbara Ann Cook |
| Bettie Shepherd |
| Bradley Fossett |
| Cade Oil & Gas, LLC |
| Charles K. Getting and Vicki M. Getting |
| Chiderbri Minerals L.P. |
| Craig D. Smith and Danielle M. Smith |
| Cynthia D. Rodriguez |
| D.P.G. Bird Farm, Inc. |
| Delmar Eugene Scholfield and Mary Lou Scholfield, joint tenants |
| DuWayne Lee Schmunk |
| Elizabeth Smith |
| Fortino Aldana, Sr., and Fortino Aldana, Jr., as joint tenants |
| Frank Stanley Davis |
| Gari Lee Dillon |
| Gary Eugene Schmunk |
| Genaro Nunez and Rosa Maria Vega de Nunez, as joint tenants |
| Heirs or Devisees of Mable Gible |
| Herbert Lorenz |
| Howard D. Beck and Lois A. Beck, joint tenants |
| Irene M. Luster |
| Jack L. Allmer |
| Janice Rochelle Hoover |
| Joan Scholfield |
| Jody Davis Leduc |
| John D. Stephenson Family Trust |
| John Lambert |
| Judith A. Meyer |

| |
|--|
| Kathleen L. Allen |
| Kerr-McGee Rocky Mountain Corp. |
| Larry Oster |
| Lidia Garcia |
| Lina Proano |
| Linda Burke |
| Linda Sue Gaston |
| Lisa Dalton |
| M.E. Davidson |
| Margaret E. Shepherd |
| Martha Veronica Arredondo and Ildefonso Arredondo, as joint tenants |
| Mekusukey Oil Company, LLC |
| Melissa Lee Behm |
| Melvin Brug and Ola Fae Brug, joint tenants |
| Mountaintop Minerals LLC |
| Othol E. Ware |
| Patricia Zale |
| Patsy J. Branch |
| Paul Harold Roosen and Barbara Anne Roosen, as joint tenants |
| Quirk Minerals Limited Partnership |
| Regal Petroleum, LLC |
| Ronald and Mary Ann Schmunk |
| Ronald Fossett |
| Ronald Water Treiber |
| Sharon Ann Culbertson |
| Sharon Duvall |
| Susan R. Swanson |
| Usmaldo Deleon and Olga Molina, as joint tenants |
| Wayne C. Johnson and Teresa O. Johnson, as joint tenants |
| Weld County, Colorado, acting by and through the Board of County Commissioners |
| Wilbur G. Rogers |
| Incline Minerals, LLC |

EXHIBIT B

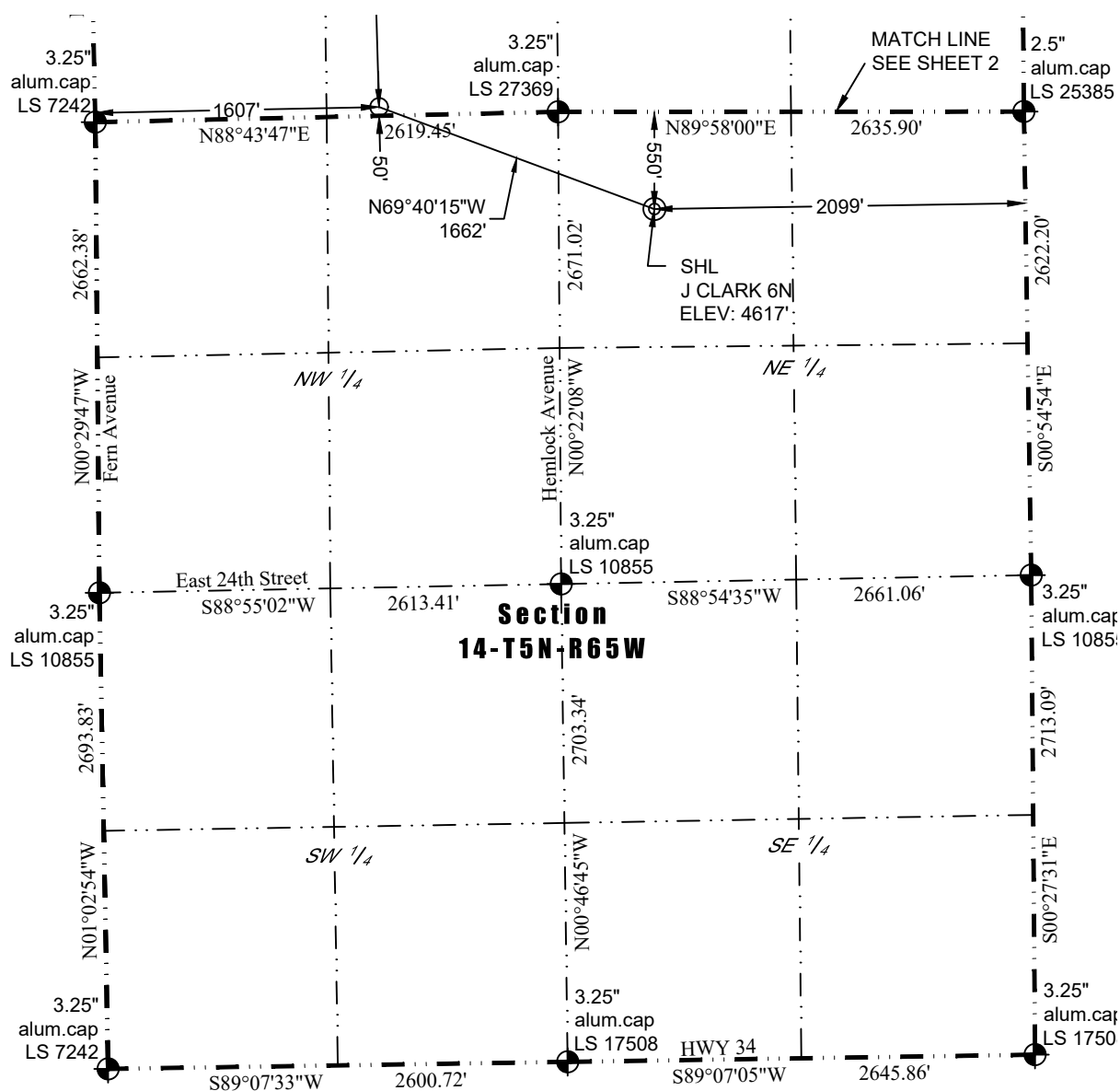
Plats

J Clark 6N Well, J Clark 5N Well, and the J Clark 4N Well

[ATTACHED]

WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY



In accordance with a request from Darin Spitzer of PDC Energy, Inc., Washburn Land Surveying, LLC has determined the location of the **J CLARK 6N** well site to be SHL: 550' FNL and 2099' FEL, (EPL: 50' FSL and 1607' FWL. BHL: 500' FNL and 1550' FWL), as measured at ninety (90) degrees from the section lines of Sections 11 and 14, Township 5 North, Range 65 West of the 6th Principal Meridian, Weld County Colorado.

Proposed Surface Hole Data:

Latitude: N 40.405170°
 Longitude: W 104.628620°
 PDOP: 1.6

Proposed Entry Point Data:

Latitude: N 40.406797°
 Longitude: W 104.634195°

Proposed Bottom Hole Data:

Latitude: N 40.419926°
 Longitude: W 104.634530°

LEGEND

- ◆ - Found Survey Monument
- ⊙ - Surface Hole Location (SHL)
- - Entry Point Location (EPL)
- ✕ - Bottom Hole Location (BHL)

Nearest Cultural Items:

Building: 553' SW
 Building Unit: 593' NW
 Above Ground Utility: 515' W
 Public Road: 530' W

Property Line: 528' NW

Railroad: +5280'
 High Occupancy Building Unit: +5280
 Designated Outside Activity Area: +5280

Notes:

- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate.
- 2) using RTK GPS observations taken 1/18/18 by operator Jason Dahlman.
- 3) Conversion factor to ground (1.0002577355).
- 4) Elevations based on NAVD 88 GPS heights and Geoid 2009 corrections.
- 5) See Location Drawing for visible improvements within 500 feet of Pad Site.
- 6) The surface use is a cultivated field.

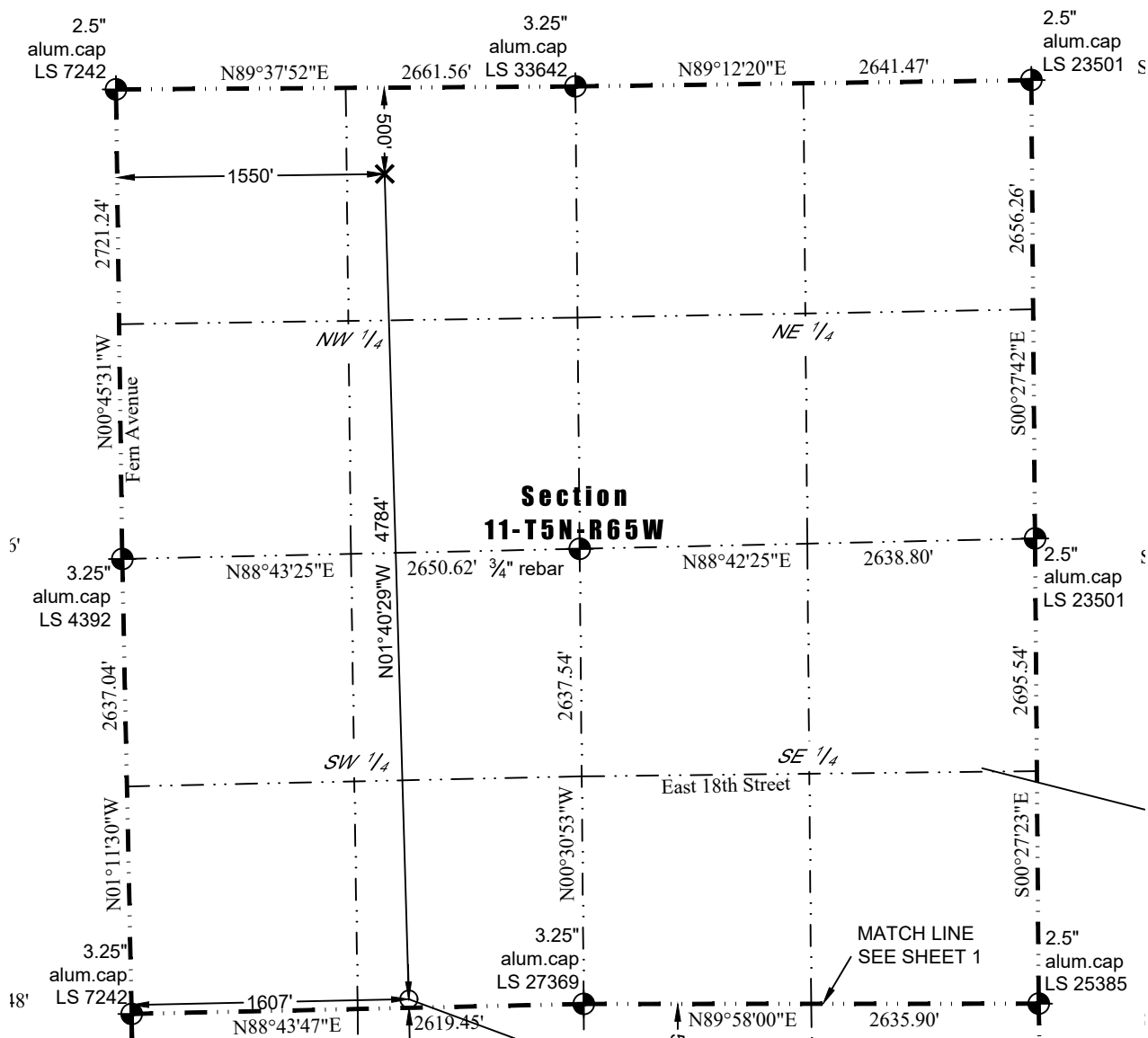
NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification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

I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 1/18/2018 for and on behalf of PDC Energy, Inc. 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 LS#38219
 Well: J CLARK 6N WLC

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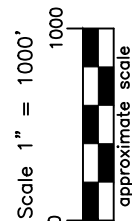
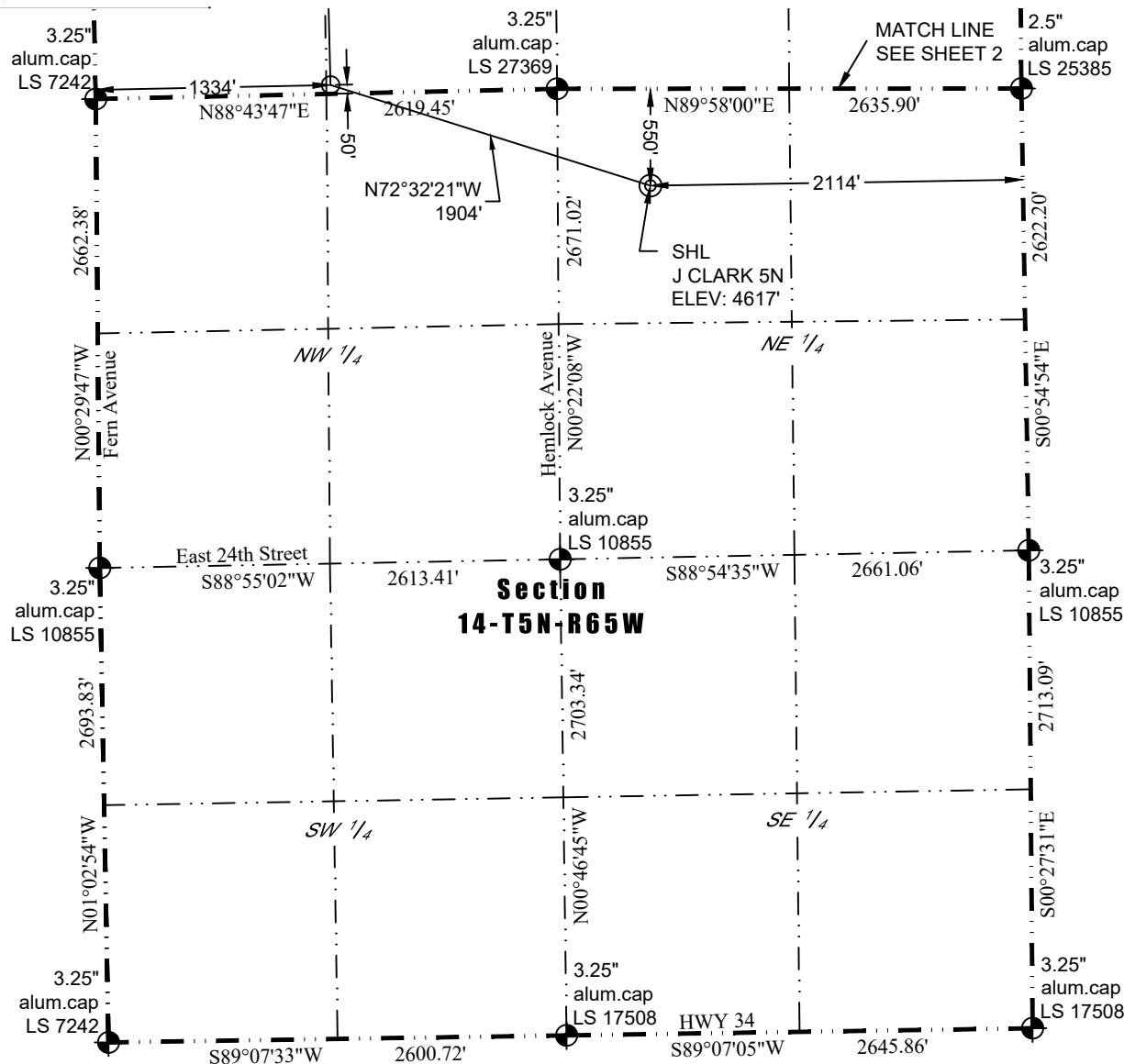


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In accordance with a request from Darin Spitzer of PDC Energy, Inc., Washburn Land Surveying, LLC has determined the location of the **J CLARK 5N** well site to be SHL: 550' FNL and 2114' FEL, (EPL: 50' FSL and 1334' FWL. BHL: 500' FNL and 1300' FWL), as measured at ninety (90) degrees from the section lines of Sections 11 and 14, Township 5 North, Range 65 West of the 6th Principal Meridian, Weld County Colorado.

Proposed Surface Hole Data:

Latitude: N 40.405171°
 Longitude: W 104.628674°
 PDOP: 1.6

Proposed Entry Point Data:

Latitude: N 40.406788°
 Longitude: W 104.635175°

Proposed Bottom Hole Data:

Latitude: N 40.419929°
 Longitude: W 104.635428°

LEGEND

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- - Entry Point Location (EPL)
- ✕ - Bottom Hole Location (BHL)

Nearest Cultural Items:

Building: 544' SW
 Building Unit: 584' NW
 Above Ground Utility: 500' W
 Public Road: 515' W

Property Line: 518' NW
 Railroad: +5280'
 High Occupancy Building Unit: +5280
 Designated Outside Activity Area: +5280

I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 1/18/2018 for and on behalf of PDC Energy, Inc. 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.

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 Well: J CLARK 5N WLC

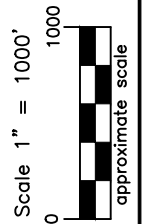
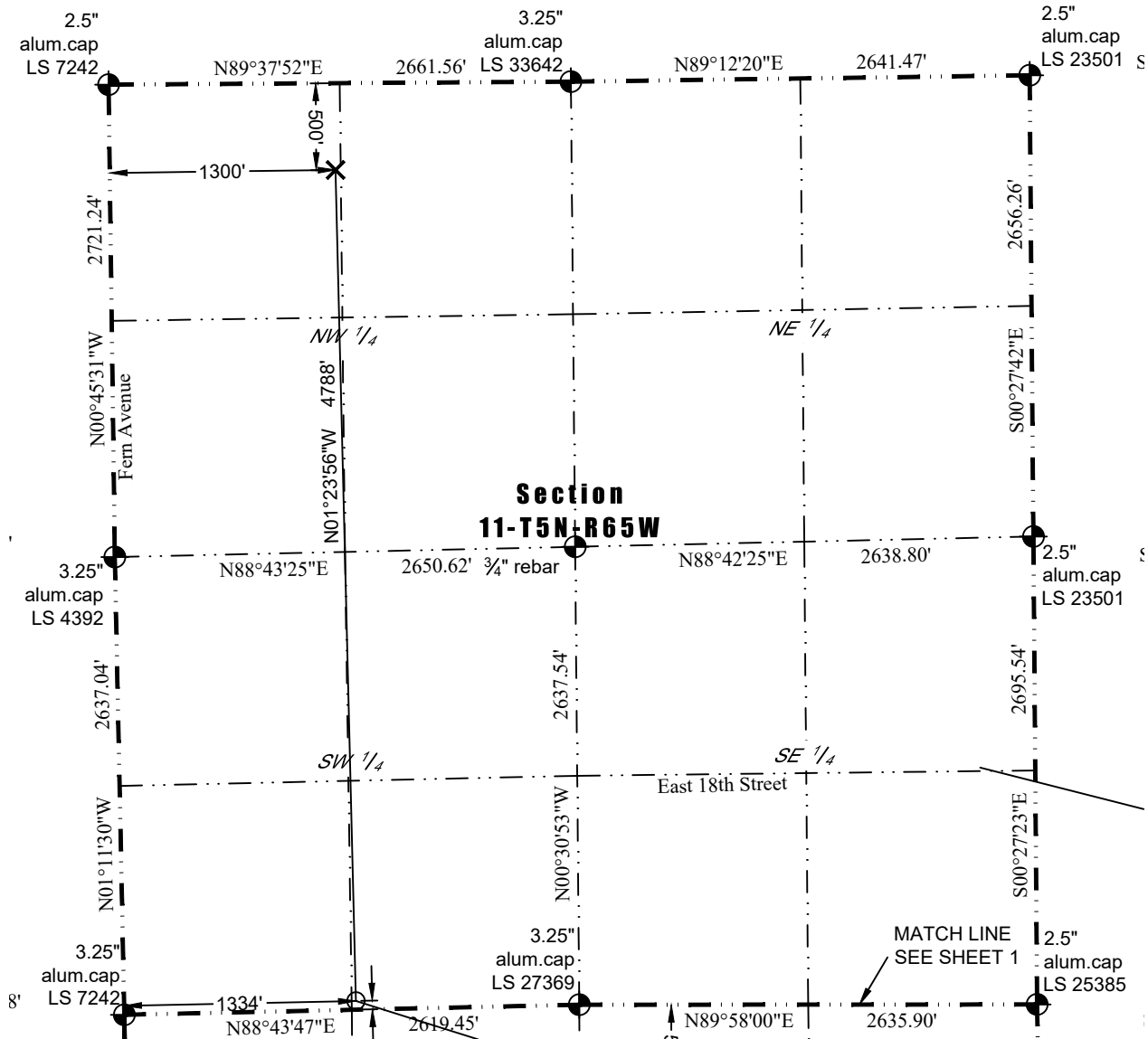
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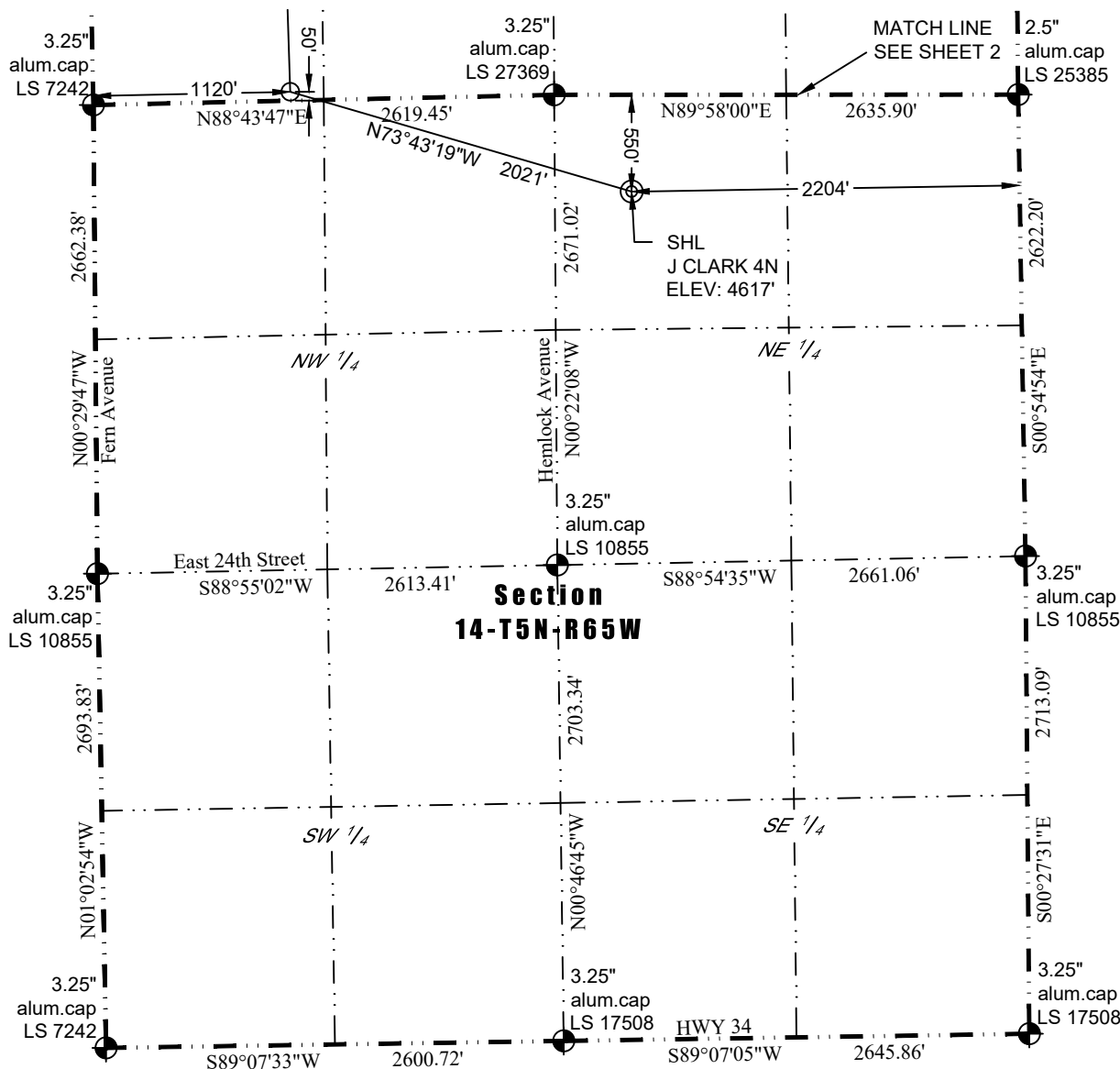


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In accordance with a request from Darin Spitzer of PDC Energy, Inc., Washburn Land Surveying, LLC has determined the location of the **J CLARK 4N** well site to be SHL: 550' FNL and 2204' FEL, (EPL: 50' FSL and 1120' FWL, BHL: 500' FNL and 1050' FWL), as measured at ninety (90) degrees from the section lines of Sections 11 and 14, Township 5 North, Range 65 West of the 6th Principal Meridian, Weld County Colorado.

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Latitude: N 40.405173°
 Longitude: W 104.628997°
 PDOP: 1.6

Proposed Entry Point Data:

Latitude: N 40.406780°
 Longitude: W 104.635944°

Proposed Bottom Hole Data:

Latitude: N 40.419931°
 Longitude: W 104.636325°

LEGEND

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- ⊙ - Surface Hole Location (SHL)
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- ✕ - Bottom Hole Location (BHL)

Nearest Cultural Items:

Building: 500' NW
 Building Unit: 532' NW
 Above Ground Utility: 410' W
 Public Road: 425' W

Property Line: 437' W
 Railroad: +5280'
 High Occupancy Building Unit: +5280
 Designated Outside Activity Area: +5280

Notes:

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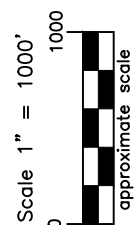
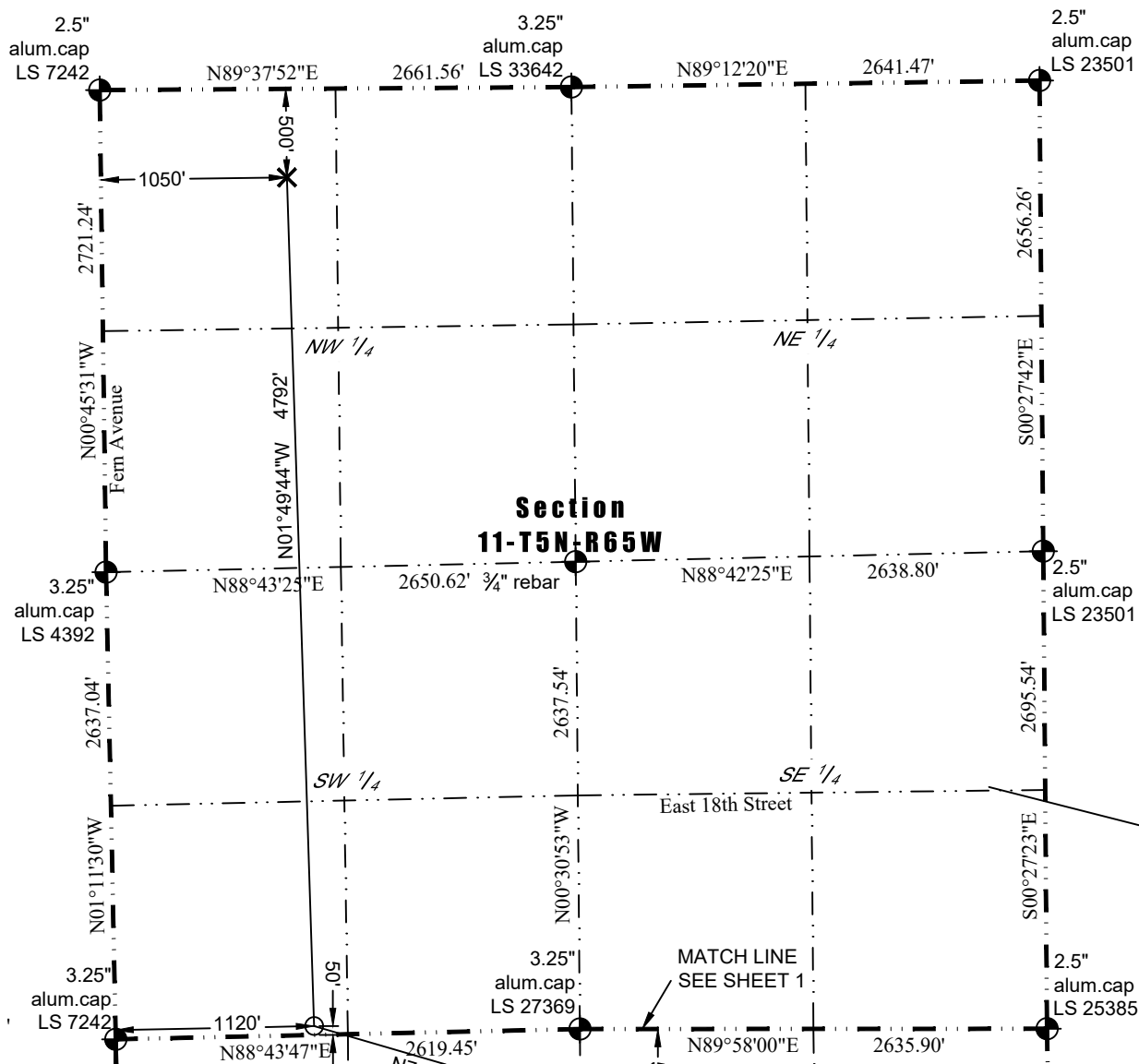
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John Robert McGehee LS#38219
 Well: J CLARK 4N WLC

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BEFORE THE OIL AND GAS CONSERVATION COMMISSION
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IN THE MATTER OF THE APPLICATION) CAUSE NO.
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ESTABLISHMENT OF FIELD RULES TO) DOCKET NO. 180700601
GOVERN OPERATIONS FOR THE)
NIOBRARA FORMATION, WATTENBERG) TYPE: POOLING
FIELD, WELD COUNTY, COLORADO)

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 5, 2018, she caused a copy of the Application submitted to COGCC on May 31, 2018, to be deposited in the United States Mail, postage prepaid, addressed to the interested parties with known addresses listed on Exhibit A to the Application.

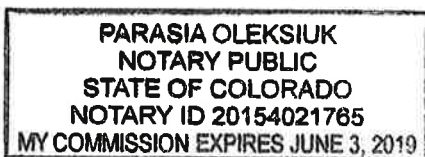
By: Courtney M. Shephard
Courtney M. Shephard, Esq.
License #47668

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 5th day of June, 2018.

My commission expires: 06-03-2019



[Signature]