

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 two approximate 200-acre Wellbore Spacing Units, as further defined below, for the drilling of the J Clark 13N Well (API No. 05-123-46695) and the J Clark 12N Well (API No. 05-123-46685) (“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 $\frac{1}{2}$ E $\frac{1}{2}$

Section 14: NW $\frac{1}{4}$ NE $\frac{1}{4}$

Weld County, Colorado, containing approximately 200.00 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 $\frac{1}{2}$ E $\frac{1}{2}$ of Section 11 and the NW $\frac{1}{4}$ NE $\frac{1}{4}$ 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 $W\frac{1}{2}E\frac{1}{2}$ of Section 11 and the $NW\frac{1}{4}NE\frac{1}{4}$ 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 two approximate 200-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 two approximate 200-acre Wellbore Spacing Units:

Wellbore Spacing Units (each approximately 200.00 acres):
J Clark 13N Well (API No. 05-123-46695) – Niobrara
J Clark 12N Well (API No. 05-123-46685) – Niobrara

Township 5 North, Range 65 West, 6th P.M.
Section 11: $W\frac{1}{2}E\frac{1}{2}$
Section 14: $NW\frac{1}{4}NE\frac{1}{4}$

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 13N Well and the J Clark 12N 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 13N Well and the J Clark 12N 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 13N Well and the J Clark 12N 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

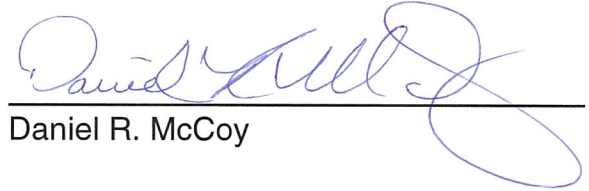
STATE OF COLORADO)
)
COUNTY OF DENVER) ss.

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is a Regional Landman – 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 13N Well and the J Clark 12N 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

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

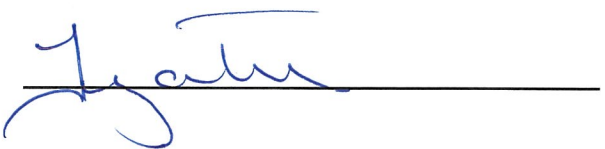


EXHIBIT A

Interested Parties

J Clark 13N Well & J Clark 12N 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.
Extraction Oil & Gas, Inc.*
Incline Niobrara Partners, LP*
Samuel Glen Thompson*
Armando Rodriguez and Armida Rodriguez, joint tenants
Blackriver Niobrara Partners II, LLC
Blackriver Niobrara Partners, LLC
City of Greeley
Curtis Ray Elliott and Patricia Susan Elliott, joint tenants
Cynthia K. Clark Revocable Trust
D.P.G. Bird Farm, Inc.
David and Brenda Breickler
David Garfield Phelps
Deborah Phelps Touslee
Dewey R. Marcy and Dorothy Jane Marcy, joint tenants
Dorothy Mason
Dr. T. Robert Phelps, Sr. and Mildred D. Phelps Revocable Living Trust Agreement
Frank Stanley Davis
Grace F. Roth
Hector Ramon Flores Salgado and Rosa Ruvalcaba, joint tenants
Herta Hillmann and Margaret Hillmann, joint tenants
IntraWest Bank of Denver, N.A.
James R. Clark Revocable Trust
Jesus L Gonzalez and Elvira V Gonzalez, joint tenants
Jody Davis Leduc
John R. Phelps
John S. Swallow
Kerr-McGee Rocky Mountain Corp.
Linda Kay Estes a/k/a Linda Kay Estes Reid
Lois Jane Luther
Mary Jane Farris a/k/a Mary Jane Phelps
Melissa Lee Behm
Paul L. McCulliss
PetroBella Energy, Inc.

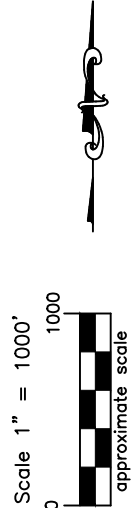
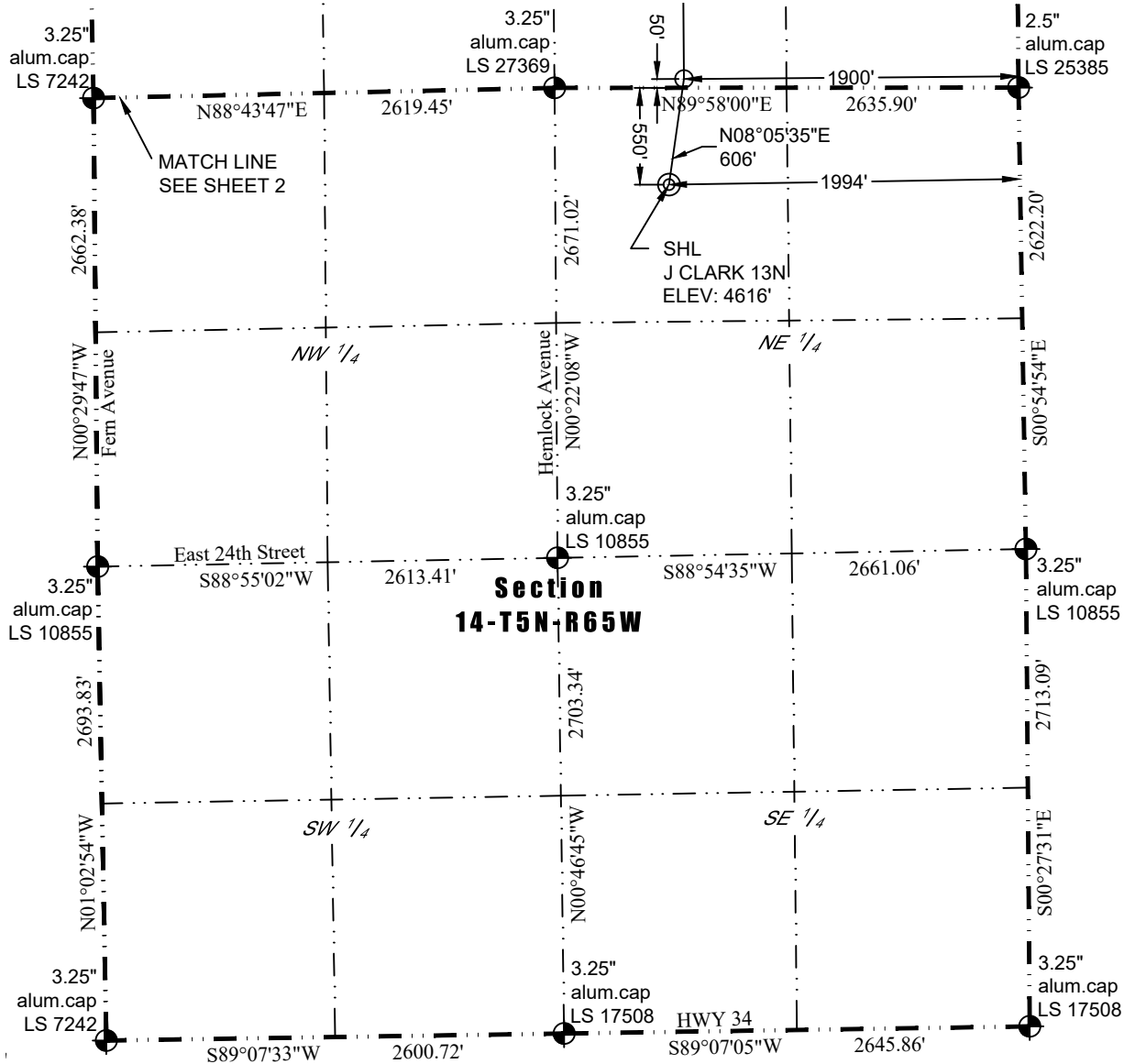
Principle Energy, LLC
Rutledge Energy Holdings, LLC
Sarah Phelps Pyper Colone
The Jovan Dawson Trust of August 28, 2009
Wolf Resources, LLC

EXHIBIT B

Plats

J Clark 13N Well & J Clark 12N Well

[ATTACHED]



**Section
14-T5N-R65W**

In accordance with a request from Darin Spitzer of PDC Energy, Inc., Washburn Land Surveying, LLC has determined the location of the **J CLARK 13N** well site to be SHL: 550' FNL and 1994' FEL, (EPL: 50' FSL and 1900' FEL, BHL: 500' FNL and 1900' FEL), 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 40.405168°
Longitude: W 104.628243°
PDOP: 1.6

Proposed Entry Point Data:
Latitude: N 40.406813°
Longitude: W 104.627915°

Proposed Bottom Hole Data:
Latitude: N 40.419924°
Longitude: W 104.627884°

LEGEND

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

Nearest Cultural Items:
Building: 618' SW
Building Unit: 666' NW
Above Ground Utility: 620' W
Public Road: 635' W

Property Line: 550' N
Railroad: +5280'
High Occupancy Building Unit: +5280
Designated Outside Activity Area: +5280

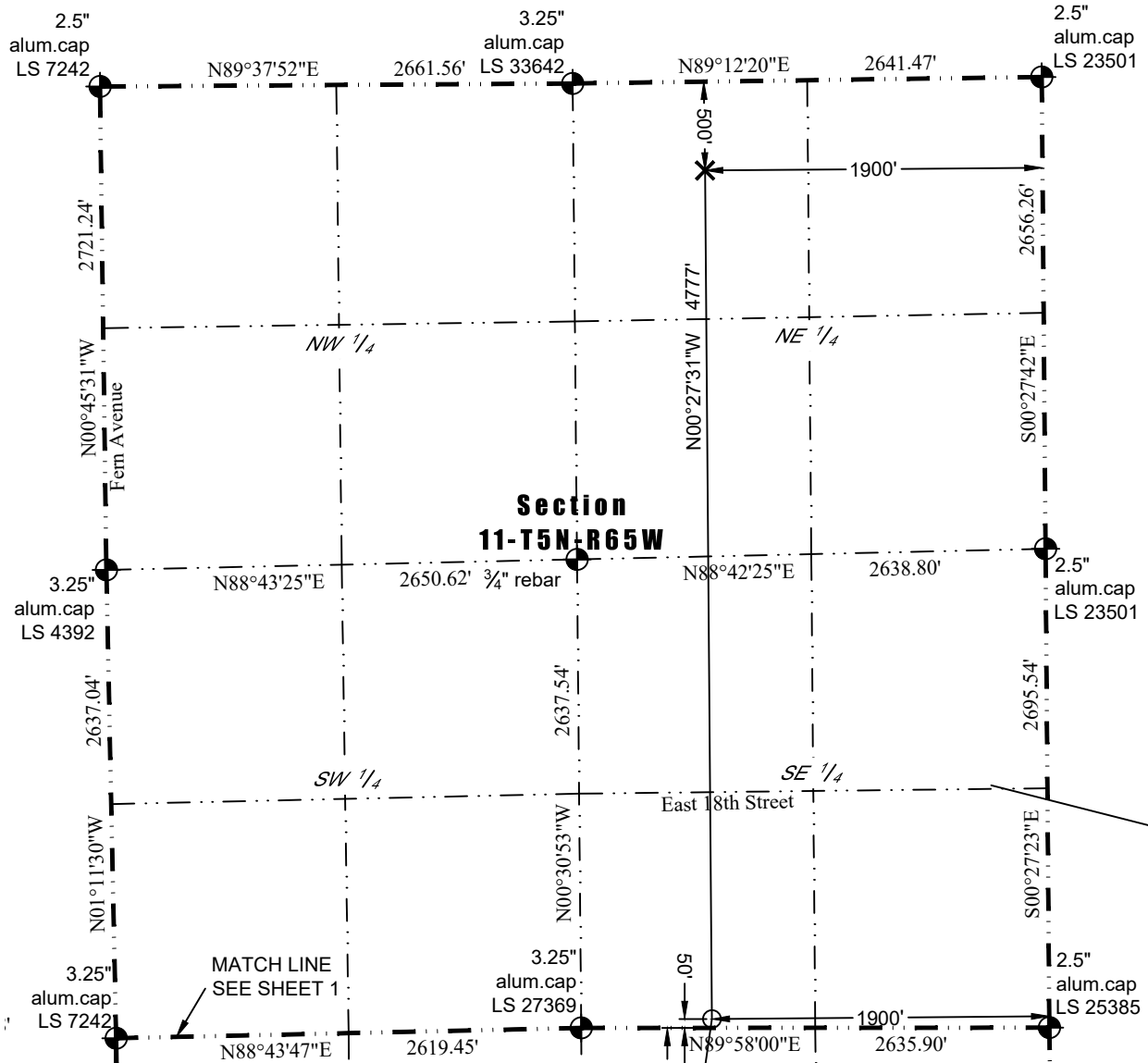
I hereby certify that this Well Location Certificate was prepared by me or under my direct supervision on 1/18/2018 for and on behalf of PDC Energy, Inc. that it is not a Land Survey Plat or an Improvement Survey Plat and that it is not to be relied upon for establishment of fences, buildings, or other future improvement lines.

(Red circular seal: JOHN ROBERT MCGEEHEE, PROFESSIONAL LAND SURVEYOR, 58219, 1-18-2018)

John Robert McGehee LS#38219
Well: J CLARK 13N WLC

- Notes:**
- 1) Bearings and distances based on NAD 83 Colorado North State Plane Coordinate, using RTK GPS observations taken 1/18/18 by operator Jason Dahlman.
 - 2) Conversion factor to ground (1.0002577355).
 - 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.

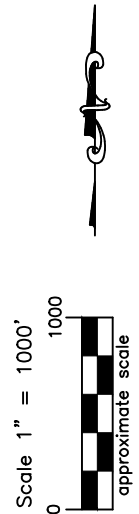
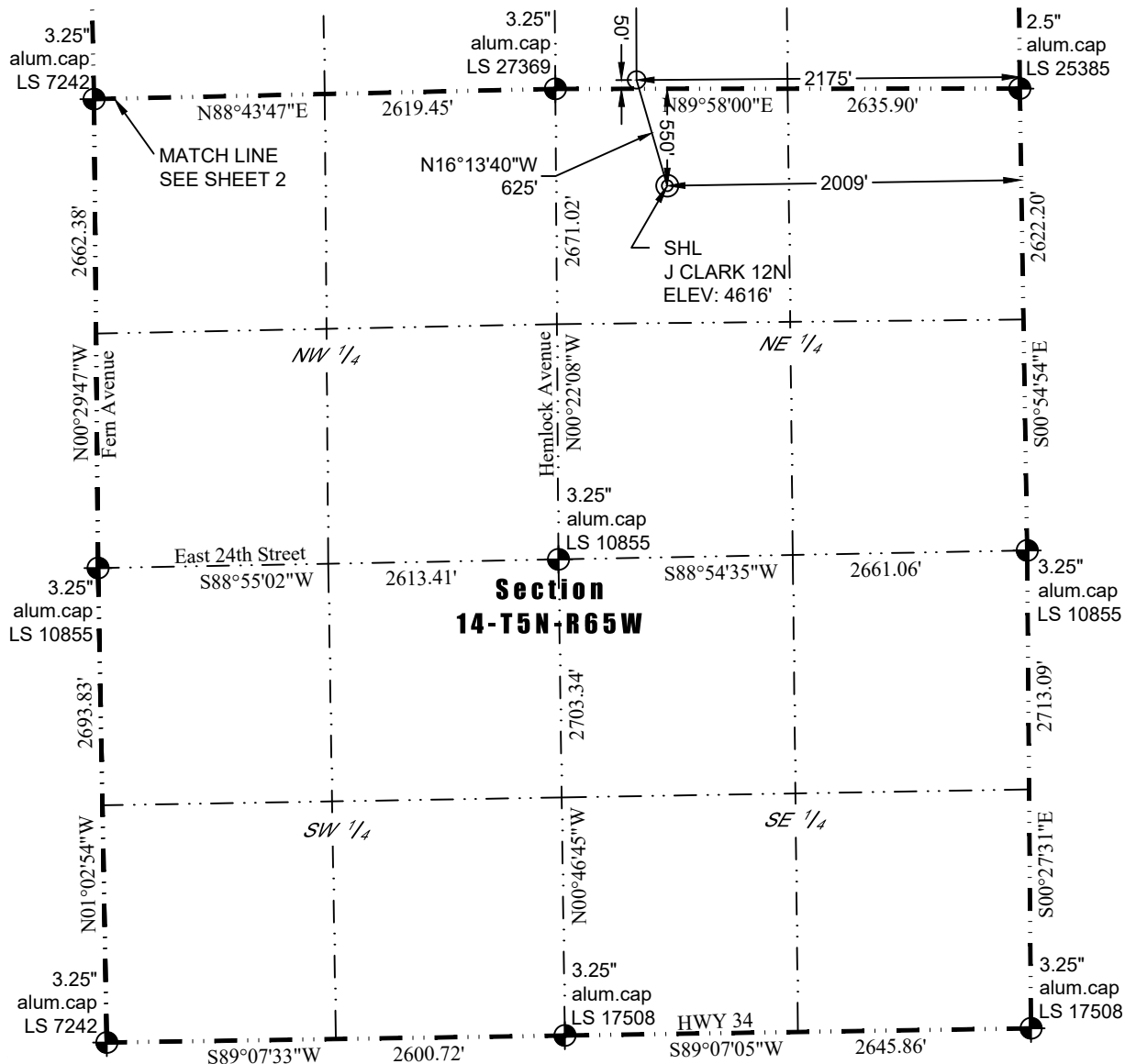
NOTICE: According to Colorado law you must commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification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



- LEGEND**
- ⊕ - Found Survey Monument
 - ⊙ - Surface Hole Location (SHL)
 - - Entry Point Location (EPL)
 - ⊗ - Bottom Hole Location (BHL)

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 12N** well site to be SHL: 550' FNL and 2009' FEL, (EPL: 50' FSL and 2175' FEL, BHL: 500' FNL and 2150' FEL), 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 40.405168°
Longitude: W 104.628297°
PDOP: 1.6

Proposed Entry Point Data:
Latitude: N 40.406820°
Longitude: W 104.628903°

Proposed Bottom Hole Data:
Latitude: N 40.419922°
Longitude: W 104.628782°

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- × - Bottom Hole Location (BHL)

Nearest Cultural Items:
Building: 608' SW
Building Unit: 655' NW
Above Ground Utility: 605' W
Public Road: 620' W

Property Line: 550' N
Railroad: +5280'
High Occupancy Building Unit: +5280
Designated Outside Activity Area: +5280

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Well: J CLARK 12N WLC

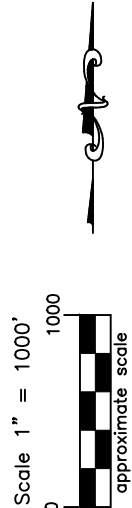
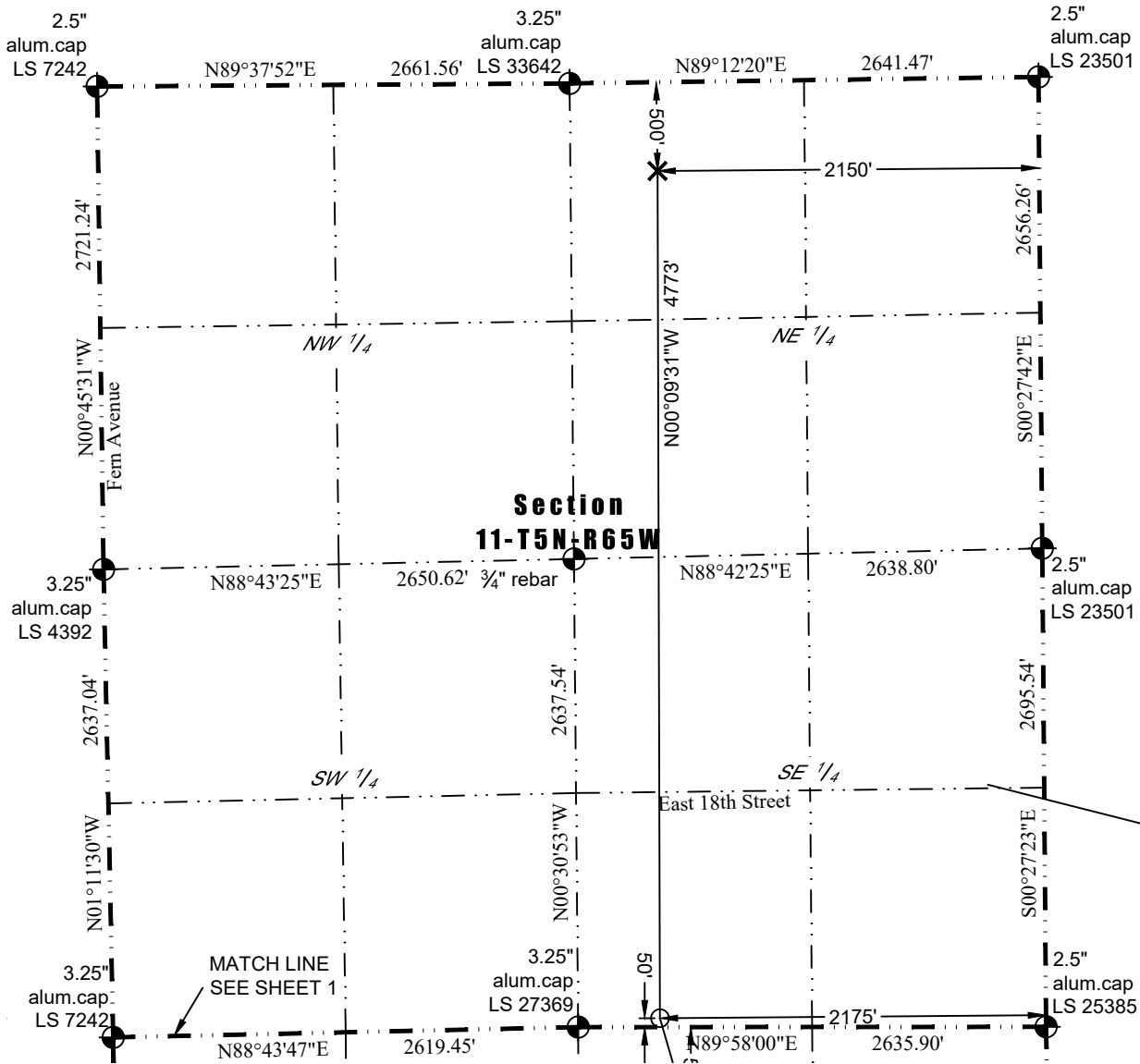
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