

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 an approximate 320-acre Wellbore Spacing Unit, as further defined below, for the drilling of the Castle 3N Well (API No. 05-123-46294) (“Well”), for the development of the Niobrara Formation on the following described lands:

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

Section 29: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$

Section 30: N $\frac{1}{2}$ N $\frac{1}{2}$

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

Section 25: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Weld County, Colorado, containing approximately 320.00 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 N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 30, Township 5 North, Range 64 West, 6th P.M.,

and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 25, 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 N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., with the permitted well locations in accordance with the provisions of Order 407-1.

5. On July 14, 2009, the Commission entered Order No. 407-334, which, among other things, pooled all non-consenting interests in an approximate 160-acre wellbore spacing unit for the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., for the Conagra B #30-31D Well (API No. 05-123-26997), from the Codell and Niobrara Formations. Order No. 407-334 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

6. On March 17, 2014, the Commission entered Order No. 407-985, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 24 and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., for the LaSalle 25E-202 Well (API No. 05-123-37408), from the Niobrara Formation. Order No. 407-985 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

7. On September 15, 2014, the Commission entered Order No. 407-1114, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 24, and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., and the S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19, and the N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Maxey 24Q-302 Well (API No. 05-123-37775), from the Niobrara Formation. Order No. 407-1114 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

8. Also on September 15, 2014, the Commission entered Order No. 407-1116, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 24, and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., and the S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19, and the N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Maxey 24Q-112 Well (API No. 05-123-37776), from the Niobrara Formation. Order No. 407-1116 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

9. On March 7, 2016, the Commission entered Order No. 407-1646, which, among other things, pooled all non-consenting interests in an approximate 720-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 19; S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20; S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21; N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28; N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 29; and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Schneider 19Q-312 Well (API No. 05-123-39542), from the Niobrara Formation. Order No. 407-1646 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

10. Also on March 7, 2016, the Commission entered Order No. 407-1647, which, among other things, pooled all non-consenting interests in an approximate 720-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 19; S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20; S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21; N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28; N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 29; and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Schneider 19Q-202 Well (API No. 05-123-39541), from the Niobrara Formation. Order No. 407-1647 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

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

12. PDC designated an approximate 320-acre Wellbore Spacing Unit 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.

13. 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 an approximate 320-acre Wellbore Spacing Unit for the Castle 3N Well (API No. 05-123-46294):

Township 5 North, Range 64 West, 6th P.M.
Section 29: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$
Section 30: N $\frac{1}{2}$ N $\frac{1}{2}$

Township 5 North, Range 65 West, 6th P.M.
Section 25: NE $\frac{1}{4}$ NE $\frac{1}{4}$

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

14. 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 Castle 3N Well to the Niobrara Formation on the Application Lands.

15. 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 sixty (60) 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.

16. 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. Pooling all interests in the Application Lands and the Wellbore Spacing Unit 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 Castle 3N Well in the Wellbore Spacing Unit 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 Castle 3N Well drilled to develop the Niobrara Formation in the Wellbore Spacing Unit 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]

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 Castle 3N 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.

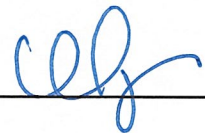


Ronald Nicholas Lebsock

Subscribed and sworn to before me this 20th day of August, 2018.

Witness my hand and official seal.
My commission expires: Jan. 7, 2021



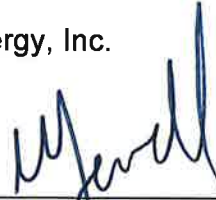


DATED this 29th day of August, 2018.

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. Nicholas Lebsack, Regional Landman

1775 Sherman Street - Suite 3000

Denver, CO 80203

EXHIBIT A

Interested Parties

Castle 3N 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.
Cowan Oil Company*
Incline Niobrara Partners LP
Alma L. Tisher & Kelly B. Tisher, JT
Anadarko E&P Onshore LLC
Andrews Capital Holdings, LLC
Argonaut Ventures, LLC
Barbara H. Irwin
Bettie Kaye Miller, a/k/a Bettie K. Miller
BLG Resources, LLC
Cade Oil and Gas, LLC
Carol E. Barrett & Ronnie A. Barrett, JT
Centennial Mineral Holdings, LLC
Clayton L. Vandergriff
Comanche Enterprises Inc.
Cynthia M. Spurlock
Cyril John Grossaint
DC Heritage Trust
De Soto Royalty Company, LLC
Donald P. Hill Trust dated July 9, 1999
DOXA Heritage Trust
Duell Family Irrevocable Trust dated May 26, 2015
FBO Investments LLLP
Fougasse Ventures, LLC
Grayrock Minerals, LLC
Harvey E. Cozzens Heritage Trust
Helen Crews
Incline Niobrara Partners, LP
James David Wicklatz
James H. Pluss
Janet K. Schmidt
Jean Marie Carpenter Mize
Joanne F. Hart & Gerald L. Hart, JT
John Allen Duell
John Herpers & Kristen Herpers, JT
John P. Allen

Johns Hopkins University
Jonathan S. Roderick, Trustee of the Jonathan S. Roderick Living Trust dated February 8, 2007
Julius A. Pluss
Katharine Anne Wicklatz
Keith Joseph Grossaint
Kenneth D. Hill
Kristin Hoch Quinn
KRL Black River Royalty
Laura Elizabeth Leonard Insurance Trust
Lennan Main, Ltd.
LHB Ventures, LLC
Linda A. Wegher
Linda S. Cantrell
Lisa J. Johnson
Lorene Anne Carpenter Putnam
Louis A. Oswald, III, Trustee of the Oswald Family Trust dated April 27, 1998
Louise Keffler
Marise R. Downing
Mark Hamilton
Martha H. Salser
Mary K. Sheehan
McArthur Minerals, LLC
Mekusukey Oil Company, LLC
Mike's Oil Well, LLC
Monterrey Minerals, LLC
New Direction IRA, Inc., FBO Rita A. Cassell IRA
Noble Energy, Inc.
Norma J. Wegher
O. Paul Leonard, III
Oak Prairie Oil & Gas, L.L.C.
Odyssey Royalties, LLC
Paragon Oil & Gas LLC
Pepco, Inc.
Pumpkin Buttes LLC
Richard Jeffrey Grossaint
ROEC, Inc.
Rose M. Pluss
Rosemary Alene Mathis
Ryland Royalty
Sam Pluss, Jr.
Sayers H. Sarran
Sharon Eileen Brandt
Sister Mary Wegher
Tall Grass Energy, LLC

The Carpenter Trust created March 16, 1990 -- Trust B, Joan Y. Carpenter, Trustee
The Fowler Revocable Living Trust, dated April 17, 2014, a/k/a The Fowler Revocable Trust dated April 17, 2014
The Rita Cassell Living Trust, dated July 25, 2006
Toni L. Dengler
Trinity Resources LLC
Virginia G. Nance
Westco Family Limited Partnership

EXHIBIT B

Plat

Castle 3N Well

[ATTACHED]

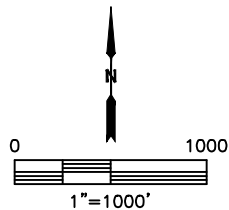
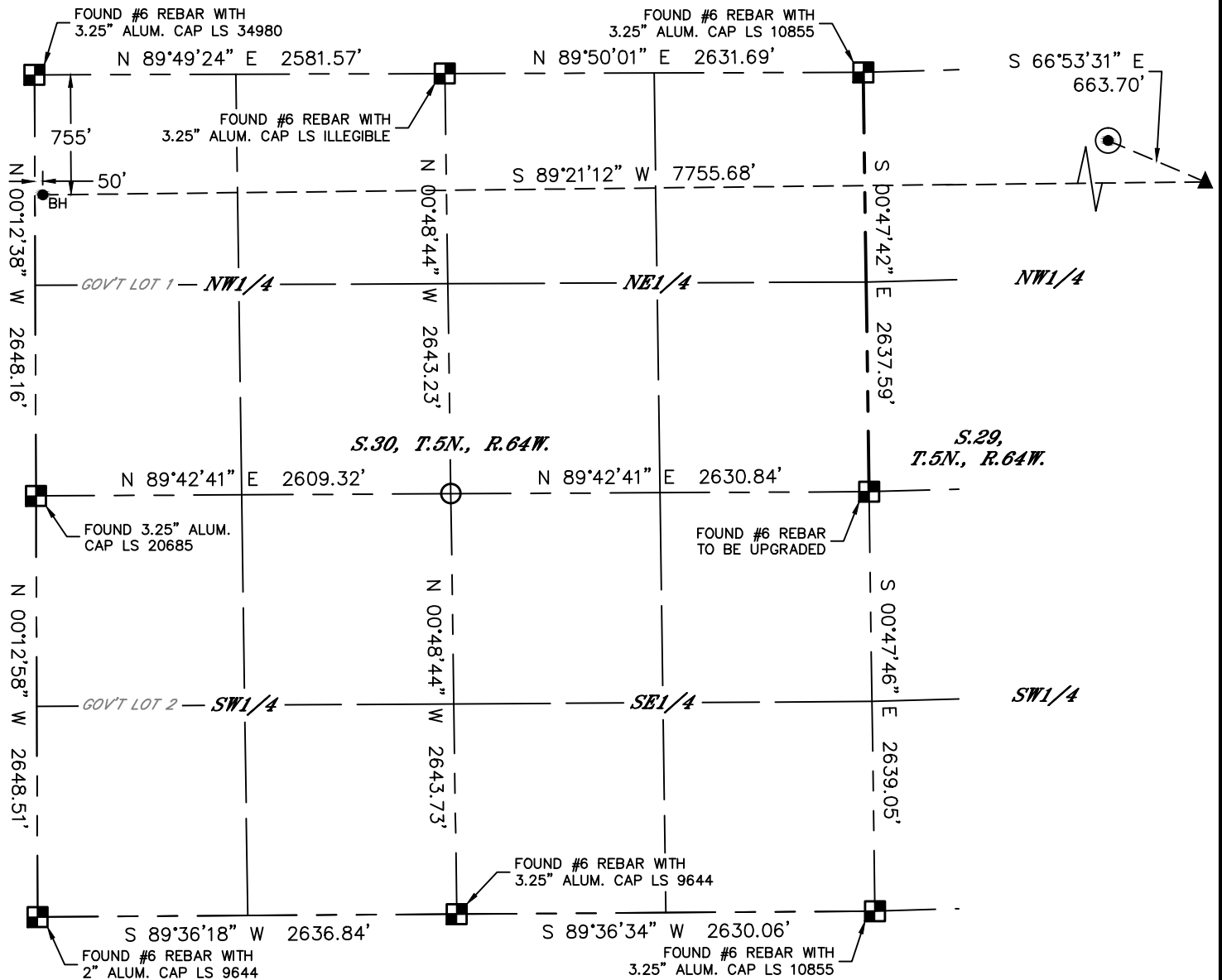


Lat40°, Inc. 6250 W. 10th Street, Unit 2, Greeley, CO 970-515-5294

WELL LOCATION CERTIFICATE

CASTLE 3N

SECTION: 29
TOWNSHIP: 5N
RANGE: 64W
6TH. P.M.
WELD COUNTY, CO

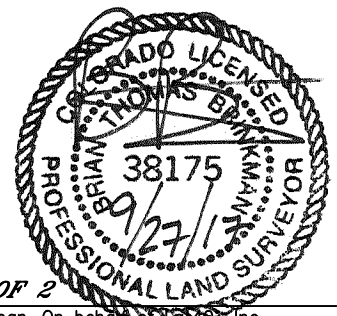


LEGEND

- = ALIQUOT MONUMENT AS DESCRIBED
- = CALCULATED POSITION
- = SURFACE HOLE LOCATION (SHL)
- = ENTRY POINT LOCATION (EP)
- = BOTTOM HOLE LOCATION (BHL)
- = EXISTING WELL
- = ABANDONED WELL

NOTE:

- 1) Bearings shown are Grid Bearings of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983. The lineal dimensions as contained herein are based upon the "U.S. Survey Foot."
- 2) Distances to section lines measured at 90 degrees from said section lines.
- 3) Ground elevations are based on an observed GPS elevation (NAVD 1988 DATUM).
- 4) Latitude and Longitude shown are (NAD 83 DATUM).
- 5) IMPROVEMENTS: See LOCATION DRAWING for all visible improvements within 500' of oil and gas location.
- 6) This map does not represent a boundary survey.



SHEET 2 OF 2

Brian T. Brinkman—On behalf of Lat40°, Inc.
Colorado Licensed Professional Land Surveyor No. 38175
DATE: 9/27/2017
PROJECT#: 2016107

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. 181000756
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 September 5, 2018, she caused a copy of the Application submitted to COGCC on August 29, 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 6th day of September, 2018.

My commission expires: 6-3-2019

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

[Signature]