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

CAUSE NO. IN THE MATTER OF THE APPLICATION) 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 four approximate 400-acre Wellbore Spacing Units, as further defined below, for the drilling of the Barr 11i-221 Well (API No. 05-123-45681), Barr 11i-301 Well (API No. 05-123-45687), Barr 4N Well (API No. 05-123-45686), and the Barr 3N Well (API No. 05-123-45684) ("Wells"), for the development of the Niobrara Formation on the following described lands:

> Township 5 North, Range 65 West, 6th P.M. Section 11: E¹/₂E¹/₂ Section 12: W¹/₂W¹/₂ Section 13: NW¹/₄NW¹/₄ Section 14: NE¹/₄NE¹/₄

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 $E\frac{1}{2}E\frac{1}{2}$ of Section 11,

 $W_{2}^{\prime}W_{2}^{\prime}$ of Section 12, $NW_{4}^{\prime}NW_{4}^{\prime}$ of Section 13, and the NE $_{4}^{\prime}NE_{4}^{\prime}$ 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 $E\frac{1}{2}E\frac{1}{2}$ of Section 11, $W\frac{1}{2}W\frac{1}{2}$ of Section 12, $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13, and the NE $\frac{1}{4}NE\frac{1}{4}$ 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. As of the date of this Application, the COGCC has not published any additional orders affecting spacing of the Application Lands.

6. PDC designated four 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.

7. 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 four approximate 400-acre Wellbore Spacing Units for the Barr 11i-221 Well (API No. 05-123-45681), Barr 11i-301 Well (API No. 05-123-45686), Barr 4N Well (API No. 05-123-45686), and the Barr 3N Well (API No. 05-123-45684):

Wellbore Spacing Units (each approximately 400.00 acres): Barr 11i-221 Well (API No. 05-123-45681) – Niobrara Barr 11i-301 Well (API No. 05-123-45687) – Niobrara Barr 4N Well (API No. 05-123-45686) – Niobrara Barr 3N Well (API No. 05-123-45684) – Niobrara

Township 5 North, Range 65 West, 6th P.M. Section 11: E¹/₂E¹/₂ Section 12: W¹/₂W¹/₂ Section 13: NW¹/₄NW¹/₄ Section 14: NE¹/₄NE¹/₄

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

8. 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 Barr 11i-221 Well, Barr 11i-301 Well, Barr 4N Well, and the Barr 3N Well to the Niobrara Formation on the Application Lands.

9. 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 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.

10. 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 Barr 11i-221 Well, Barr 11i-301 Well, Barr 4N Well, and the Barr 3N 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 Barr 11i-221 Well, Barr 11i-301 Well, Barr 4N Well, and the Barr 3N 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 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 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 – PDC Energy, Inc., which address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.

2. He has read the attached application for the Barr 11i-221 Well, Barr 11i-301 Well, Barr 4N Well, and the Barr 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 21 day of August, 2018.

ELLIOT LESLIE GOLLEHON Notary Public State of Colorado Notary ID # 20094000627 My Commission Expires 01-07-2021

EXHIBIT A

Interested Parties

Barr 11i-221 Well, Barr 11i-301 Well, Barr 4N Well, & Barr 3N Well

"*" denotes the interested parties that <u>may</u> be subject to the statutory cost recovery provisions of C.R.S. § 34-60-116.

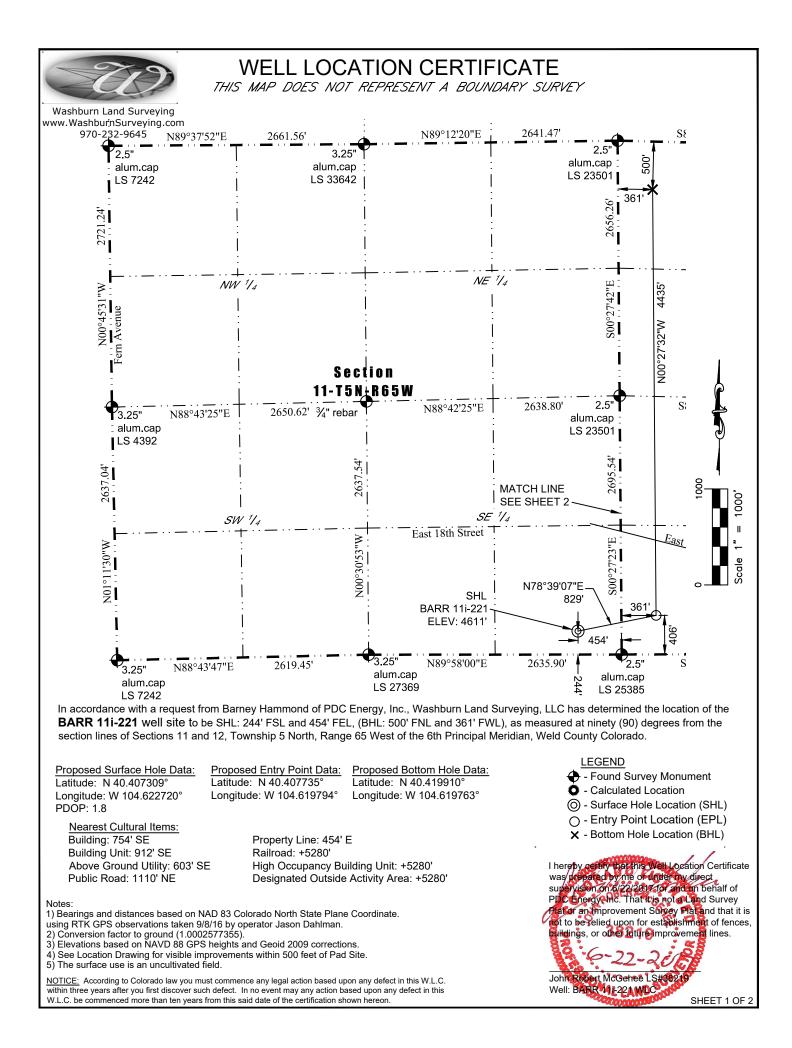
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Extraction Oil & Gas, Inc.
Incline Niobrara Partners, LP
Atomic Capital Minerals, LLC
Blackriver Niobrara Partners II, LLC
Blackriver Niobrara Partners, LLC
Calven T. Goza
City of Greeley, Colorado
David Garfield Phelps
Deborah Phelps Touslee
Dewey R. Marcy and Dorothy Jane Marcy, joint tenants
DPG Farms LLC
Frank Stanley Davis
Harold D. Johnson
Incline Niobrara Partners, LP
John R. Phelps
Judy Davis Leduc
Kerr-McGee Oil & Gas Onshore LP
Linda K. Estes Reid
Lois Jane Luther
Mary Jane Farris
Mathews Family Enterprises LLC
Melissa Lee Behm, fka Melissa Lee Davis
Nic and Gigi, LLC
Noble Energy, Inc.
Petrobella Energy Inc.
Principle Energy, L.L.C.
Sarah Phelps Pyper
The Dr. T. Robert Phelps, Sr. and Mildred D. Phelps Revocable Living Trust
Agreement dated August 1, 1991
Weld County
Wolf Resources Holding I, LLC
Zabka Farms, Inc.

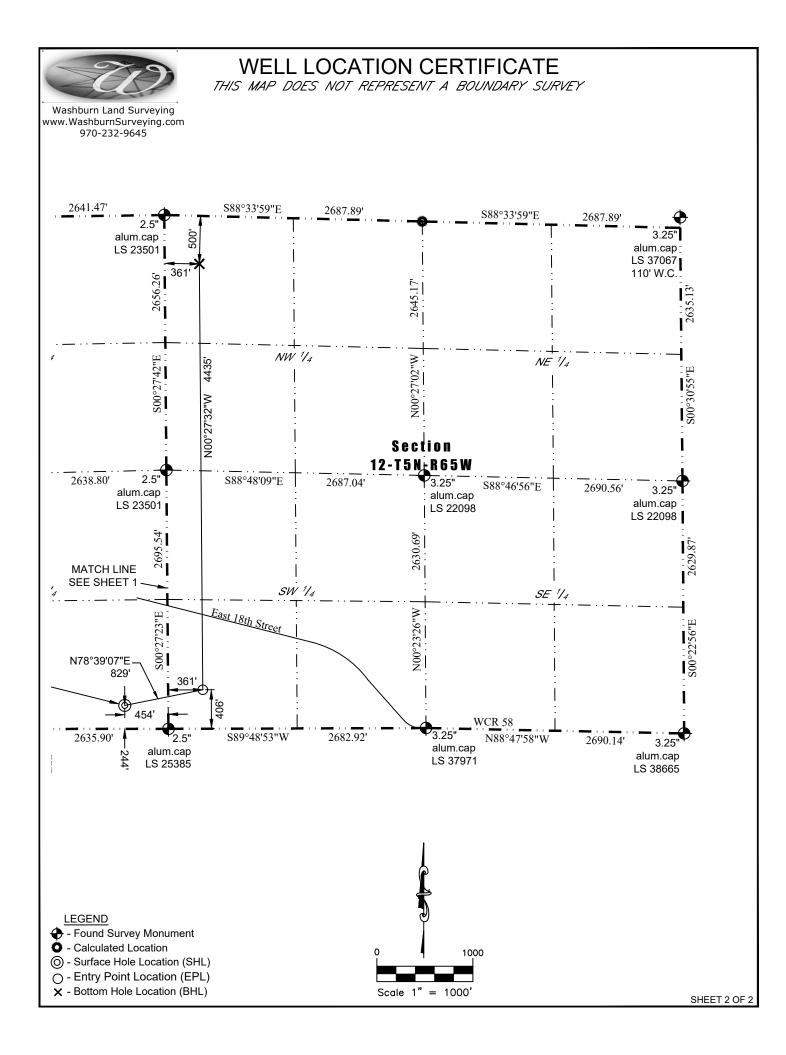
<u>EXHIBIT B</u>

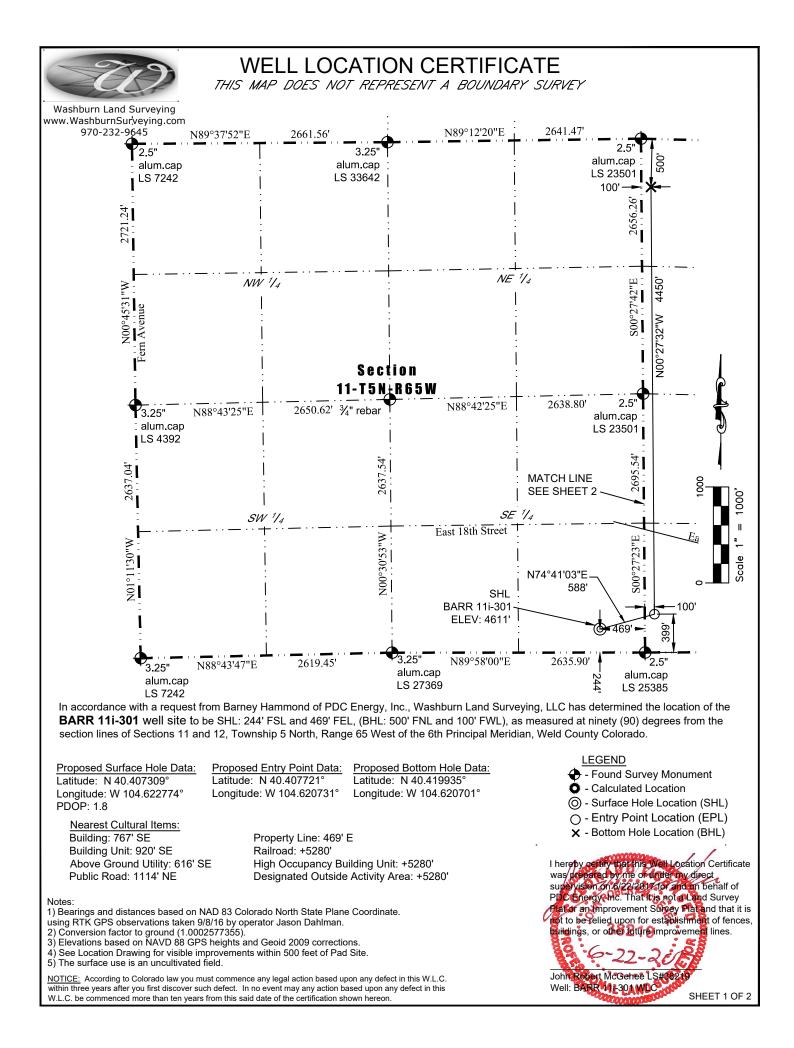
Plats

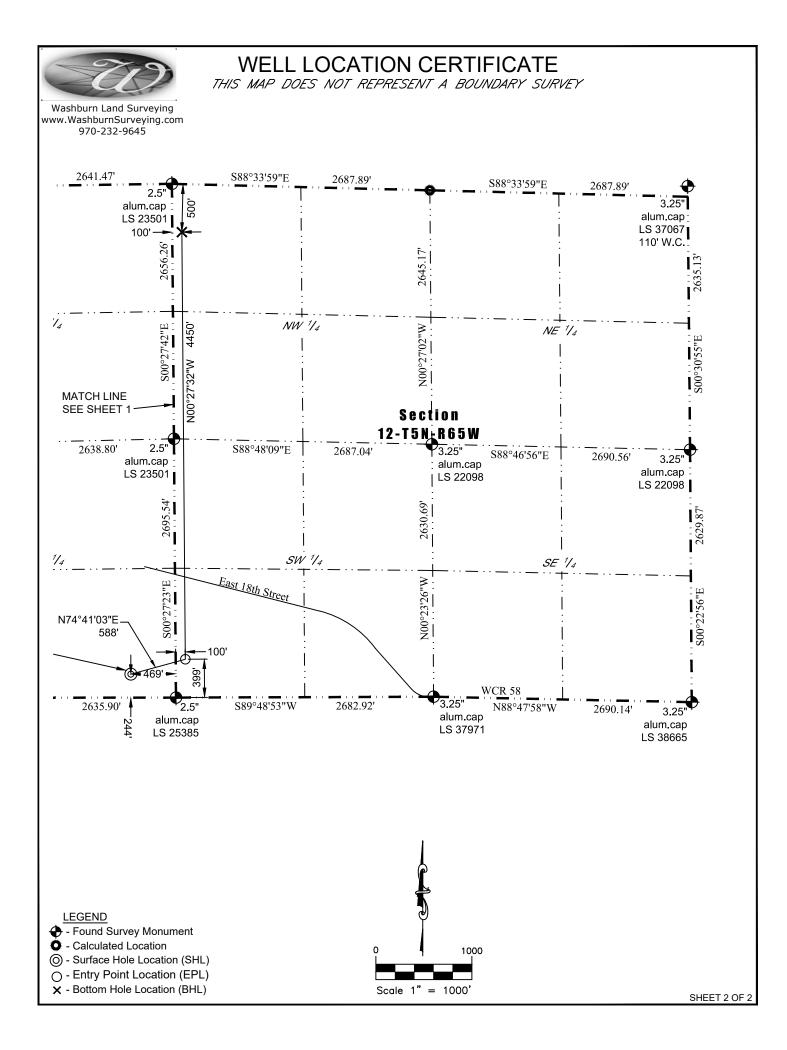
Barr 11i-221 Well, Barr 11i-301 Well, Barr 4N Well, & Barr 3N Well

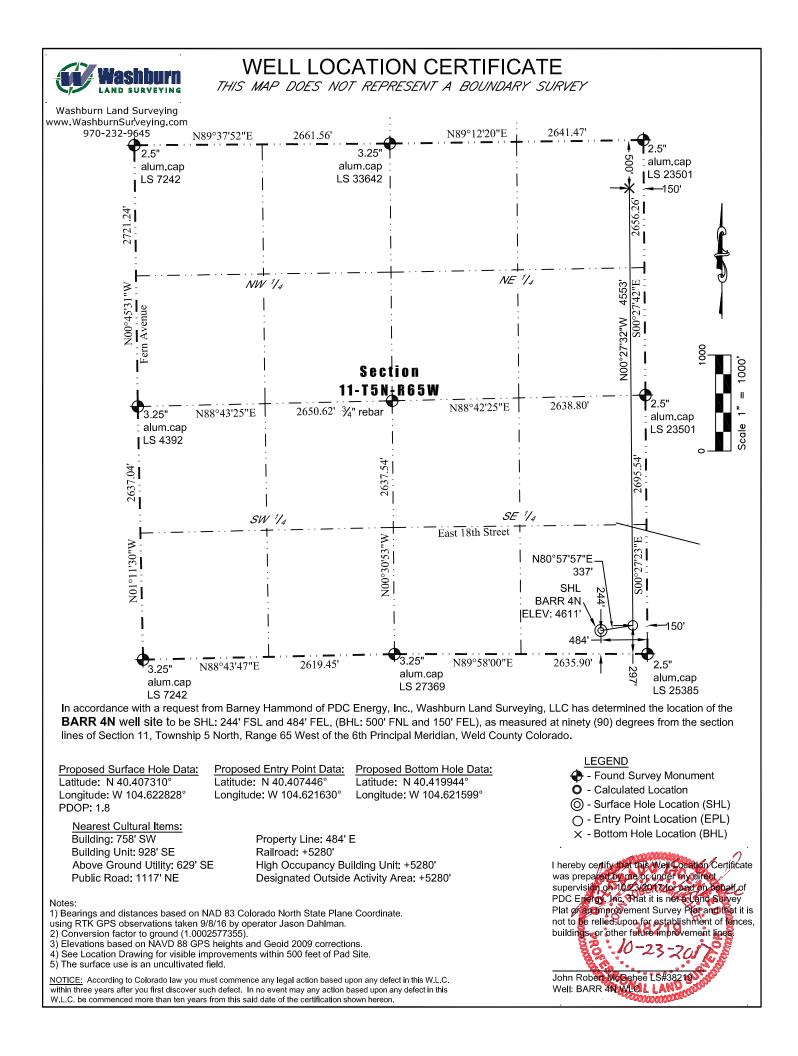
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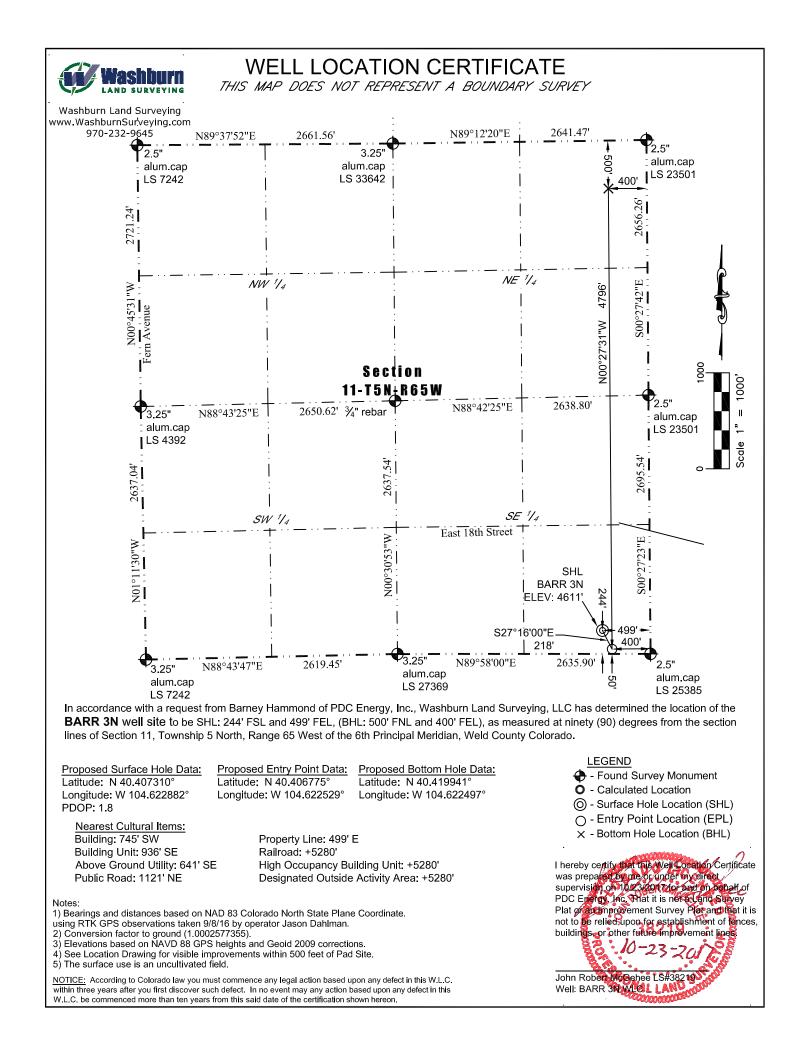












BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION) CAUSE NO. OF THE PROMULGATION AND) ESTABLISHMENT OF FIELD RULES TO DOCKET NO 181000768 GOVERN **OPERATIONS** FOR THE) POOLING NIOBRARA FORMATION, WATTENBERG TYPE: 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: <u>Curtney</u> 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 $_$ day of September, 2018.

My commission expires: 6 - 3 - 2019

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