

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

IN THE MATTER OF THE PROMULGATION )	CAUSE NO.
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 1,360-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 sixteen (16) 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 4 North, Range 64 West, 6<sup>th</sup> P.M.

Section 1: All

Section 2: All

Section 3: E½E½E½

Weld County, Colorado (containing a total of approximately 1,360 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, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. Sections 1, 2, and 3 of Township 4 North, Range 64 West, 6<sup>th</sup> P.M., are subject to this rule for the Niobrara and Codell 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 Sections 1, 2, and 3 of Township 4 North, Range 64 West, 6<sup>th</sup> P.M., with the permitted well locations in accordance with the provisions of Order 407-1.

5. On August 8, 2011, the Commission entered Order No. 407-456, which, among other things, established an approximate 480-acre wellbore spacing unit for the Hoffman C #02-65HN Well (API No. 05-123-34675) consisting of the S $\frac{1}{2}$ N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$  of Section 1 and the S $\frac{1}{2}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 2, Township 4 North, Range 64 West, 6<sup>th</sup> P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Hoffman C #02-65HN Well and asserts that the production and payments from the Hoffman C #02-65HN Well should be maintained under the authority of Order No. 407-456 and other applicable Commission orders and rules.

6. Also on August 8, 2011, the Commission entered Order No. 407-461, which, among other things, established an approximate 320-acre wellbore spacing unit for the Oredigger C #10-69HN Well (API No. 05-123-34134) consisting of the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 3 and the N $\frac{1}{2}$ N $\frac{1}{2}$  of Section 10, Township 4 North, Range 64 West, 6<sup>th</sup> P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Oredigger C #10-69HN Well and asserts that the production and payments from the Oredigger C #10-69HN Well should be maintained under the authority of Order No. 407-461 and other applicable Commission orders and rules.

7. On October 31, 2011, the Commission entered Order No. 407-486, which, among other things, established an approximate 480-acre wellbore spacing unit for the Bobcat C12-69HN Well (API No. 05-123-34432) consisting of the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 1, SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 2, NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 11, and the N $\frac{1}{2}$ N $\frac{1}{2}$  of Section 12, Township 4 North, Range 64 West, 6<sup>th</sup> P.M., and the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 6 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 7, Township 4 North, Range 63 West, 6<sup>th</sup> P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Bobcat C12-69HN Well and asserts that the production and payments from the Bobcat C12-69HN Well should be maintained under the authority of Order No. 407-486 and other applicable Commission orders and rules.

8. On July 9, 2012, the Commission entered Order No. 407-676, which, among other things, established an approximate 158.794-acre wellbore spacing unit for the Marley C01-24D Well (API No. 05-123-31340) consisting of the W $\frac{1}{2}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 1, Township 4 North, Range 64 West, 6<sup>th</sup> P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Marley C01-24D Well and asserts that the production and payments from the Marley C01-24D Well should be maintained under the authority of Order No. 407-676 and other applicable Commission orders and rules.

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

10. PDC excludes from this Application all existing vertical and directional wells located on the Application Lands, to the extent they are still producing, and asserts that the production and payments from the existing vertical and directional wells should be maintained under the authority of all applicable Commission rules and orders.

11. The Application Lands also contain the following wells, which, as of the date of this Application, are listed as “in process” in COGCC’s online Drilling and Location Permits Database (“In-Process Wells”). COGCC Permitting has not yet issued permits or API Nos. for these wells. PDC excludes from this Application the In-Process Wells and asserts that production and payments from the In-Process Wells should be maintained under the authority of all applicable Commission rules and orders.

- A. Popham 14N Well (API No. pending)
- B. Popham 15N Well (API No. pending)
- C. Popham 16N Well (API No. pending)
- D. Popham 17C Well (API No. pending)
- E. Popham 18N Well (API No. pending)
- F. Popham 19N Well (API No. pending)
- G. Popham 20N Well (API No. pending)

12. In this Application, PDC requests approval to drill sixteen (16) wells for the production of hydrocarbons from the Niobrara and Codell Formations. In November, 2017, COGCC Permitting approved eight (8) PDC Lindsey Wells (listed below) for development in wellbore spacing units. PDC requests that COGCC Permitting vacate the eight (8) wellbore spacing units established under COGCC Rule 318A.a.(4)D for the below-listed PDC Lindsey Wells and PDC further requests that the Commission approve drilling and development of the below-listed wells within the approximate 1,360-acre drilling and spacing unit requested in this Application. As of the date of this Application, all approved APDs for the below-listed wells are active and none of the wells have been drilled. PDC will submit a Sundry Notice/Form 4 for each well to amend its spacing unit to conform to the approximate 1,360-acre drilling and spacing unit consisting of the Application Lands.

- A. Lindsey 1C Well (API No. 05-123-45815)
- B. Lindsey 2N Well (API No. 05-123-45812)
- C. Lindsey 3N Well (API No. 05-123-45813)
- D. Lindsey 4N Well (API No. 05-123-45810)
- E. Lindsey 5N Well (API No. 05-123-45811)

- F. Lindsey 6N Well (API No. 05-123-45814)
- G. Lindsey 7N Well (API No. 05-123-45809)
- H. Lindsey 8N Well (API No. 05-123-45808)

13. The proposed approximate 1,360-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells.

14. PDC requests that the Commission approve the development of up to sixteen (16) horizontal wells in the proposed approximate 1,360-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.

15. 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.

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

17. The proposed wells shall be drilled from a maximum of two (2) well pads located within the approximate 1,360-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

18. 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.

19. 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.

20. 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 1,360-acre drilling and spacing unit for the Application Lands and approve up to sixteen (16) 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;
- 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; and
- E. Vacate the wellbore spacing units previously established under COGCC Rule 318A.a.(4)D for the Lindsey 1C Well (API No. 05-123-45815); Lindsey 2N Well (API No. 05-123-45812); Lindsey 3N Well (API No. 05-123-45813); Lindsey 4N Well (API No. 05-123-45810); Lindsey 5N Well (API No. 05-123-45811); Lindsey 6N Well (API No. 05-123-45814); Lindsey 7N Well (API No. 05-123-45809); and the Lindsey 8N Well (API No. 05-123-45808).

[SIGNATURE PAGE FOLLOWS]

DATED this 30<sup>th</sup> 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. Daniel R. McCoy  
1775 Sherman Street - Suite 3000  
Denver, CO 80203

VERIFICATION

STATE OF COLORADO                    )  
  )     ss.  
CITY AND 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 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 24<sup>th</sup> day of August, 2018.

Witness my hand and official seal.  
My commission expires: Nov. 20, 2020

MEGAN GUNNUFSON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20084036848  
MY COMMISSION EXPIRES NOVEMBER 20, 2020

  
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Exhibit A

Interested Party List  
Spacing Application

Township 4 North, Range 64 West, 6<sup>th</sup> P.M.  
Section 1: All  
Section 2: All  
Section 3: E $\frac{1}{2}$ E $\frac{1}{2}$ E $\frac{1}{2}$

PDC Energy, Inc.	Weld County Department of Planning Services
Colorado Parks and Wildlife	Colorado Department of Public Health & Environment
Bonanza Creek Energy Operating Company, LLC	Kerr-McGee Oil & Gas Onshore LP
Incline Niobrara Partners, LP	Stacey Q. Miller, d/b/a Poudre Production Properties



# Exhibit B

## Reference Map of Application Lands



