

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.	181000783
NIOBRARA AND CODELL FORMATIONS, )		
WATTENBERG FIELD, WELD COUNTY, )	TYPE:	SPACING
COLORADO )		

**AMENDED 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 1,040-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 nineteen (19) 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 5: S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 6: S $\frac{1}{2}$ S $\frac{1}{2}$ S $\frac{1}{2}$

Section 7: N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 8: W $\frac{1}{2}$

Weld County, Colorado (containing a total of approximately 1,040 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 5, 6, 7, and 8, 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 5, 6, 7, and 8, Township 4 North, Range 64 West, P.M., with the permitted well locations in accordance with the provisions of Order 407-1.

5. On May 16, 2011, the Commission entered Order No. 407-399, which, among other things, established an approximate 400-acre wellbore spacing unit for the Lower Latham PC G #12-69HN Well (API No. 05-123-33583) consisting of 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 64 West, 6<sup>th</sup> P.M., and the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 1 and the N $\frac{1}{2}$ N $\frac{1}{2}$  of Section 12, Township 4 North, Range 65 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 Lower Latham PC G #12-69HN Well and asserts that the production and payments from the Lower Latham PC G #12-69HN Well should be maintained under the authority of Order No. 407-399 and other applicable Commission orders and rules.

6. Also on May 16, 2011, the Commission entered Order No. 407-403, which, among other things, established an approximate 320-acre wellbore spacing unit for the Frick C #17-79HN Well (API No. 05-123-33279) consisting of the E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 7, W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 8, W $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 17, and the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 18, 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 Frick C #17-79HN Well and asserts that production and payments from the Frick C #17-79HN Well should be maintained under the authority of Order No. 407-403 and other applicable Commission orders and rules.

7. Also on May 16, 2011, the Commission entered Order No. 407-404, which, among other things, established an approximate 320-acre wellbore spacing unit for the Franklin C #17-69HN Well (API No. 05-123-33241) consisting of the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 8 and the N $\frac{1}{2}$ N $\frac{1}{2}$  of Section 17, 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 Franklin C #17-69HN Well and asserts that production and payments from the Franklin C #17-69HN Well should be maintained under the authority of Order No. 407-404 and other applicable Commission orders and rules.

8. Also on May 16, 2011, the Commission entered Order No. 407-406, which, among other things, established an approximate 320-acre wellbore spacing unit for the Franklin C #08-62HN Well (API No. 05-123-33244) consisting of the S $\frac{1}{2}$  of Section 8, 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 Franklin C #08-62HN Well and asserts that production and payments from the Franklin C #08-62HN Well should be maintained under the authority of Order No. 407-406 and other applicable Commission orders and rules.

9. On August 8, 2011, the Commission entered Order No. 407-465, which, among other things, established an approximate 400-acre wellbore spacing unit for the

Schmidt PC C #06-79HN Well (API No. 05-123-34238) consisting of the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 6, Township 4 North, Range 64 West, 6<sup>th</sup> P.M., the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 1, Township 4 North, Range 65 West, 6<sup>th</sup> P.M., the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 31, Township 5 North, Range 64 West, 6<sup>th</sup> P.M., and the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Township 5 North, Range 65 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 Schmidt PC C #06-79HN Well and asserts that production and payments from the Schmidt PC C #06-79HN Well should be maintained under the authority of Order No. 407-465 and other applicable Commission orders and rules.

10. On October 31, 2011, the Commission entered Order No. 407-488, which, among other things, established an approximate 320-acre wellbore spacing unit for the Northrup C08-75HN Well (API No. 05-123-34263) consisting of the W $\frac{1}{2}$ E $\frac{1}{2}$  and the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 8, Township 4 North, Range 64 West, 6<sup>th</sup> P.M., for the production of oil, gas, and hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Northrup C08-75HN Well and asserts that the production and payments from the Northrup C08-75HN Well should be maintained under the authority of Order No. 407-488 and other applicable Commission orders and rules.

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

12. 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.

**13. THE APPLICATION LANDS ALSO CONTAIN THE FOLLOWING HORIZONTAL WELLS (“EXCLUDED HORIZONTAL WELLS”). PDC EXCLUDES FROM THIS APPLICATION THE EXCLUDED HORIZONTAL WELLS AND ASSERTS THAT PRODUCTION AND PAYMENTS FROM THE EXCLUDED HORIZONTAL WELLS SHOULD BE MAINTAINED UNDER THE AUTHORITY OF ALL APPLICABLE COMMISSION RULES AND ORDERS.**

- A. HONEBEIN 7G-203 (API NO. 05-123-40374)
- B. HONEBEIN 7G-323 (API NO. 05-123-40375)
- C. HONEBEIN 7K-223 (API NO. 05-123-40380)
- D. HONEBEIN 7K-243 (API NO. 05-123-40373)
- E. HONEBEIN 7K-323 (API NO. 05-123-40418)
- F. HONEBEIN 7K-403 (API NO. 05-123-40378)
- G. HONEBEIN 7O-243 (API NO. 05-123-40381)

14. The Application Lands also contain the following permitted wells (“Excluded Permitted Wells”). PDC excludes from this Application the Excluded Permitted Wells and asserts that production and payments from the Excluded Permitted Wells should be maintained under the authority of all applicable Commission rules and orders.

- A. Harold 6Y-214 Well (API No. 05-123-45754)
- B. Harold 6Y-312 Well (API No. 05-123-45752)
- C. Harold 6Y-304 Well (API No. 05-123-45748)
- D. Harold 6X-334 Well (API No. 05-123-45750)
- E. Harold 6Y-202 Well (API No. 05-123-45757)

15. In this Application, PDC requests approval to drill nineteen (19) wells for the production of hydrocarbons from the Niobrara and Codell Formations. In November 2017, COGCC Permitting approved nineteen (19) PDC Challenger and Jagged Wells (listed below) for development in wellbore spacing units. PDC requests that COGCC Permitting vacate the nineteen (19) wellbore spacing units established under COGCC Rule 318A.a.(4)(D) for the below-listed PDC Challenger and Jagged Wells and PDC further requests that the Commission approve drilling and development of the below-listed wells within the approximate 1,040-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 submitted a Sundry Notice/Form 4 for each well to amend its spacing unit to conform to the approximate 1,040-acre drilling and spacing unit consisting of the Application Lands.

- A. Challenger 1N Well (API No. 05-123-45890)
- B. Challenger 2N Well (API No. 05-123-45891)
- C. Challenger 3N Well (API No. 05-123-45889)
- D. Challenger 4N Well (API No. 05-123-45896)
- E. Challenger 5N Well (API No. 05-123-45895)
- F. Challenger 6N Well (API No. 05-123-45893)
- G. Challenger 7N Well (API No. 05-123-45897)
- H. Challenger 8N Well (API No. 05-123-45894)
- I. Challenger 9N Well (API No. 05-123-45892)
- J. Jagged 1N Well (API No. 05-123-45878)
- K. Jagged 2N Well (API No. 05-123-45879)

- L. Jagged 3N Well (API No. 05-123-45880)
- M. Jagged 4N Well (API No. 05-123-45883)
- N. Jagged 5N Well (API No. 05-123-45881)
- O. Jagged 6N Well (API No. 05-123-45887)
- P. Jagged 7N Well (API No. 05-123-45885)
- Q. Jagged 8N Well (API No. 05-123-45884)
- R. Jagged 9C Well (API No. 05-123-45886)
- S. Jagged 10N Well (API No. 05-123-45882)

16. The proposed approximate 1,040-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells.

17. PDC requests that the Commission approve the development of up to nineteen (19) horizontal wells in the proposed approximate 1,040-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell 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 Niobrara and Codell Formations.

18. 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.

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

20. The proposed wells shall be drilled from a maximum of two (2) well pads located within the approximate 1,040-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

21. 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.

22. 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.

23. 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 1,040-acre drilling and spacing unit for the Application Lands and approve up to nineteen (19) 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 Challenger 1N Well (API No. 05-123-45890); Challenger 2N Well (API No. 05-123-45891); Challenger 3N Well (API No. 05-123-45889); Challenger 4N Well (API No. 05-123-45896); Challenger 5N Well (API No. 05-123-45895); Challenger 6N Well (API No. 05-123-45893); Challenger 7N Well (API No. 05-123-45897); Challenger 8N Well (API No. 05-123-45894); Challenger 9N Well (API No. 05-123-45892); Jagged 1N Well (API No. 05-123-45878); Jagged 2N Well (API No. 05-123-45879); Jagged 3N Well (API No. 05-123-45880); Jagged 4N Well (API No. 05-123-45883); Jagged 5N Well (API No. 05-123-45881); Jagged 6N Well (API No. 05-123-45887); Jagged 7N Well (API No. 05-123-45885); Jagged 8N Well (API No. 05-123-45884); Jagged 9C Well (API No. 05-123-45886); and the Jagged 10N Well (API No. 05-123-45882).

DATED this ~~30<sup>th</sup> day of August~~ **24TH DAY OF SEPTEMBER**, 2018.

Respectfully submitted,

PDC ENERGY, INC.

By:



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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





Exhibit A

Interested Party List  
Spacing Application

Township 4 North, Range 64 West, 6<sup>th</sup> P.M.

Section 5: S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 6: S $\frac{1}{2}$ S $\frac{1}{2}$ S $\frac{1}{2}$

Section 7: N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 8: W $\frac{1}{2}$

PDC Energy, Inc.	Weld County Department of Planning Services
Colorado Parks and Wildlife	Colorado Department of Public Health & Environment
Incline Niobrara Partners, LP	Jim Wright

Exhibit B

Reference Map of Application Lands

