

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

IN THE MATTER OF AN APPLICATION BY )  
PETROSHARE CORP. FOR AN ORDER TO, AMONG ) CAUSE NO. 407  
OTHER THINGS, ESTABLISH AN APPROXIMATE )  
1,273.68-ACRE DRILLING AND SPACING UNIT ) DOCKET NO. 181000842  
COMPRISED OF SECTION 4: W/2, SECTION 5: E/2, )  
SECTION 8: E/2 AND SECTION 9: W/2, TOWNSHIP 2 ) TYPE: SPACING  
SOUTH, RANGE 67 WEST, 6TH P.M., 6TH P.M., FOR )  
THE CODELL-NIOBRARA FORMATIONS, )  
WATTENBERG FIELD, ADAMS COUNTY, COLORADO )

**AMENDED APPLICATION**

PetroShare Corp. ("Applicant"), by and through its attorneys, Steptoe & Johnson PLLC, respectfully submits this **AMENDED** Application ("**AMENDED Application**") to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate 1,273.68-acre drilling and spacing unit comprised of Section 4: W/2, Section 5: E/2, Section 8: E/2 and Section 9: W/2, Township 2 South, Range 67 West, 6<sup>th</sup> P.M., for horizontal well development of the Codell-Niobrara Formations ("Subject Formations"), Wattenberg Field, Adams County, Colorado.

In support of its **AMENDED** Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is registered as Operator No. 10454 with the Commission.

2. Applicant owns leasehold interests in the below-listed lands ("Application Lands"):

Township 2 South, Range 67 West, 6<sup>th</sup> P.M.

Section 4: W/2 (317.44 acres)

Section 5: E/2 (316.24 acres)

Section 8: E/2

Section 9: W/2

Containing 1,273.68 acres, more or less

3. A map depicting the acreage comprising the Application Lands, which lie within the Greater Wattenberg Area ("GWA") as defined by Commission Rule 318A, is attached hereto and incorporated herein as **Exhibit A**.

4. On April 27, 1998, the Commission adopted Commission 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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. Commission Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells. On December 5, 2005, Commission Rule 318A was amended to, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Commission Rule 318A was again amended, among other things, to

address drilling of horizontal wells. The Application Lands are subject to Commission Rule 318A for the Codell-Niobrara Formations.<sup>1</sup>

5. The Commission has issued no other orders concerning the establishment of drilling and spacing units touching and concerning the Application Lands regarding the horizontal well development of the Codell-Niobrara Formations.

6. As of the date of the filing of this **AMENDED** Application: (a) no horizontal wells have been drilled on the Application Lands in the Subject Formations; (b) there are no vertical wells producing from the Subject Formations on the Application Lands; (c) with the exception of the foregoing, there are no other wells (vertical, directional or horizontal) located on the Application Lands producing from the Subject Formations; and (d) there are no pending applications for permit to drill horizontal wells on the Application Lands to the Subject Formations.

7. Applicant requests the establishment of the Application Lands as an approximate 1,273.68-acre drilling and spacing unit for the horizontal well production of Codell-Niobrara Formations oil, gas and associated hydrocarbons, pursuant to Commission Rule 503.b.(1) and C.R.S. § 34-60-116(2) ("Proposed DSU").

8. Applicant requests authorization to drill, complete and operate up to ~~sixteen (16)~~ **TWENTY (20)** horizontal wells in the Proposed DSU (collectively, "Wells"), for the production of Codell-Niobrara Formations oil, gas and associated hydrocarbons ("Well Density Request"), pursuant to Commission Rule 503.b.(1).

9. Applicant requests authorization that the productive interval for any of the Wells be located no closer than one hundred fifty feet (150') from the productive interval of any other wellbore located within the Proposed DSU, absent exception being granted by the Director or variance being granted by the Commission ("Interwell Setback Request"), pursuant to Commission Rule 503.b.(1).

10. Applicant requests authorization that the productive interval for any of the Wells be located no closer than four hundred sixty feet (460') from the boundary of the Proposed DSU, absent exception being granted by the Director or variance being granted by the Commission ("Boundary Line Setback Request"), pursuant to Commission Rule 503.b.(1).

11. Applicant states that the Proposed DSU is not smaller than the maximum area that can be economically and efficiently drained by the Wells.

12. Applicant states that its request for the creation of the Proposed DSU, the granting of the Well Density Request, the granting of the Interwell Setback Request, and the granting of the Boundary Line Setback Request, are each necessary and will promote full, economic and efficient resource recovery, minimize surface impacts, create of efficiencies for drilling and production, increase the ultimate recovery of the hydrocarbon reserves from the Application Lands, prevent waste, and protect correlative rights.

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<sup>1</sup> Commission Rule 318A supersedes Commission Order No. 407-87 dated February 19, 1992, as amended, with respect to the Application Lands. The Application Lands are also subject to Commission Rule 317A – DJ Basin Fox Hills Protection Area..

13. Applicant states that no interested party will be prejudiced by the granting of the relief sought herein.

14. Applicant states that any horizontal wells to be drilled under this **AMENDED** Application will be drilled on the surface of the Proposed DSU, or on adjacent lands with consent of the surface landowner, from one multi-well pad, absent exception being granted by the Director or variance being granted by the Commission.

15. The granting of this **AMENDED** Application is in accord with the Oil and Gas Conservation Act, found at C.R.S. § 34-60-101, *et seq.*, and the Commission Rules.

16. The names and addresses of the interested parties (Owners within the Application Lands) are attached hereto and incorporated herein as **Exhibit B**.

17. Applicant shall submit a certificate of service for this **AMENDED** Application within seven (7) days pursuant to Commission Rules 503.e, 507.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law, and that upon such hearing this Commission enter its order:

A. Establishing the Application Lands as an approximate 1,273.68-acre drilling and spacing unit for the horizontal well production of Codell-Niobrara Formations oil, gas and associated hydrocarbons;

B. Authorizing the drilling, completion and operation of up to ~~sixteen (16)~~ **TWENTY (20)** horizontal wells in the drilling and spacing unit so established, for the production of Codell-Niobrara Formations oil, gas and associated hydrocarbons;

C. Authorizing that the productive interval for any of the horizontal wells in the drilling and spacing unit so established be located no closer than one hundred fifty feet (150') from the productive interval of any other wellbore located within the same, absent exception being granted by the Director or variance being granted by the Commission;

D. Authorizing that the productive interval for any of the horizontal wells in the drilling and spacing unit so established be located no closer than four hundred sixty feet (460') from the boundary of the same, absent exception being granted by the Director or variance being granted by the Commission; and

E. For such other findings and orders as the Commission may deem proper or advisable.

Respectfully dated and submitted this ~~30<sup>th</sup>~~ **31<sup>st</sup>** day of August, 2018.

By: 

Brent D. Chicken (Colorado Bar No. 36217)  
Casey C. Breese (Colorado Bar No. 51448)  
Steptoe & Johnson PLLC  
Attorneys for Applicant  
600 17<sup>th</sup> Street, Suite 2300 South  
Denver, CO 80202  
303.389.4300

Applicant:

PetroShare Corp.

Attn: William R. Givan

9635 Maroon Circle, Suite 400

Englewood, CO 80112-5927

303.500.1168

bgivan@PetroSharecorp.com

Local Governmental Designee:

Christine Dougherty

4300 South Adams County Pkwy.

Brighton, CO 80601-8218

720.523.6891

Cdougherty@adcogov.org

VERIFICATION

STATE OF COLORADO  
COUNTY OF DOUGLAS


)  
) ss.  
)

Brian H. Wert, Senior Landman, PetroShare Corp., upon oath deposes and says that he has read the foregoing **AMENDED** Application and that the statements contained therein are true to the best of his knowledge, information and belief.

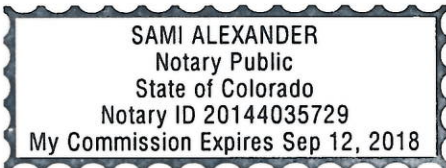
PETROSHARE CORP.

  
\_\_\_\_\_  
Brian H. Wert  
Senior Landman

Acknowledged, subscribed and sworn to before me this 31<sup>st</sup> day of August, 2018 by Brian H. Wert, Senior Landman of PetroShare Corp.

  
Print Name: Sami Alexander  
Notary Public  
State of Colorado  
My commission expires: 9/12/18

SEAL



**EXHIBIT A**

**PROPOSED DSU MAP**

**Township 2 South, Range 67 West, 6<sup>th</sup> P.M.**

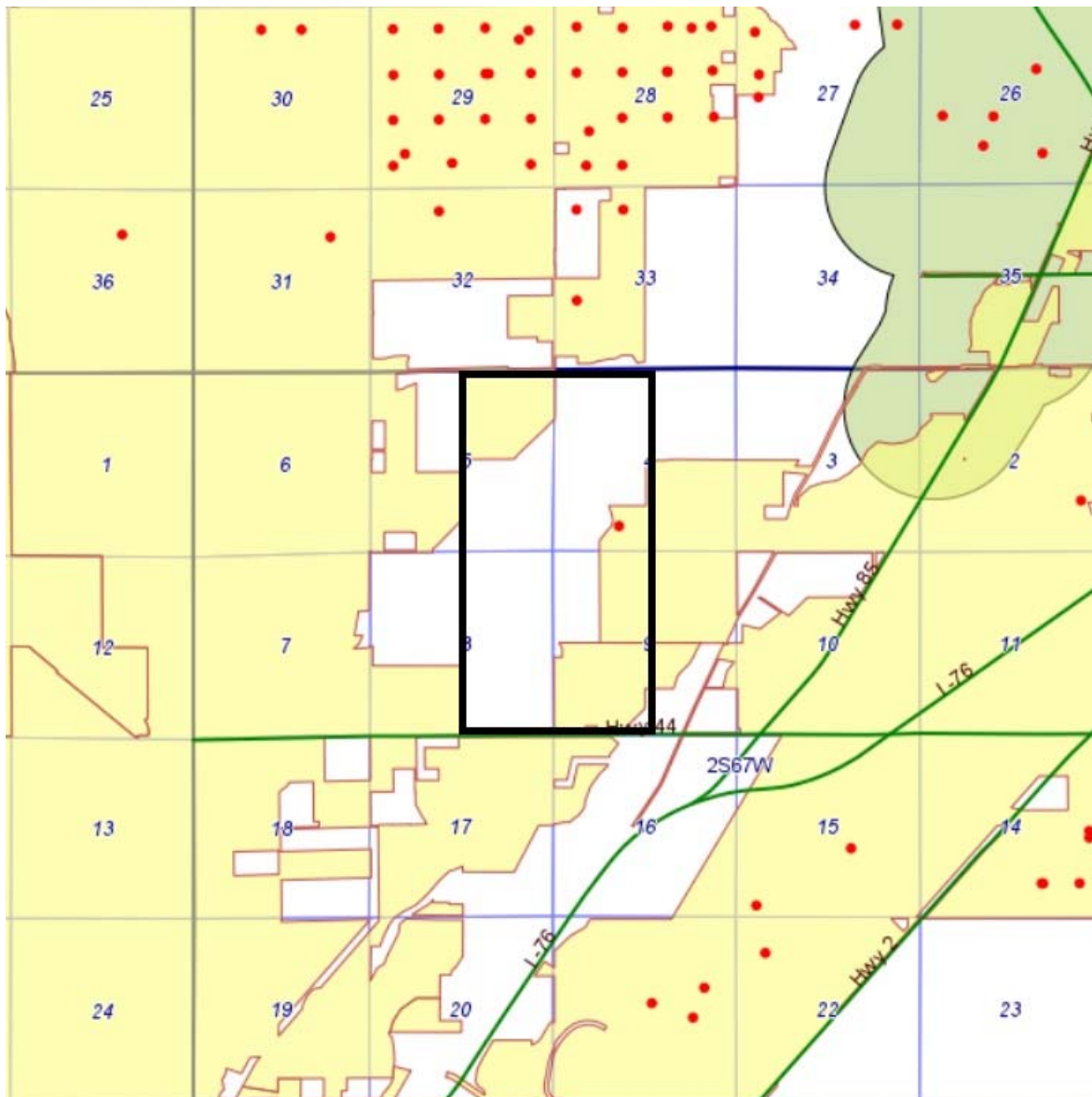
**Section 4: W/2 (317.44 acres)**

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**Section 8: E/2**

**Section 9: W/2**

**Containing 1,273.68 acres, more or less**



## EXHIBIT B

### INTERESTED PARTIES

The names and addresses of the interested parties (Owners within the Application Lands), according to the information and belief of the Applicant, are set forth in this **Exhibit B**.

Christine Dougherty, Local Governmental Designee 4300 South Adams County Pkwy. Brighton, CO 80601-8218	Richard L. and Linda Hoffman 11465 Riverdale Road Denver, CO 80223-2917
Robin L. McIntosh, Jr. 11500 Riverdale Road Denver, CO 80223-2918	McIntosh Farm Co, LLLP 11910 Riverdale Road Brighton, CO 80602-8142
Katherine A. Bailey and Jorge A. Simental Cota 980 Gray Street Lakewood, CO 80214-2444	Richard L. Hoffman Revocable Trust and Linda Hoffman Revocable Trust 11465 Riverdale Road Denver, CO 80223-2917
Richard and Juanita Larson P.O. Box 86 Henderson, CO 80604-0086	Winfrey Farms LLC and heirs of Paul H. and Dorothy R. Winfrey 2645 WCR 23 Fort Lupton, CO 80621
Paulette L. Dennis 11375 Riverdale Road Denver, CO 80223-2915	James J., Jesse J and Jason J. Diekmann 11330 Riverdale Road Thornton, CO 80223
Public Service of Colorado P.O. Box 1979 Denver, CO 80201-1979	McCulliss Oil & Gas Inc. P.O. Box 221515 Denver, CO 80222
HAI Consulting, Inc. P.O. Box 2527 Littleton, CO 80161	City and County of Denver Acting by and through its Board of Water Commissioners 1600 W. 12th Avenue Denver, CO 80204
City of Thornton 9500 Civic Center Dr. Thornton, CO 80229	Rolf Tveitan P.O. Box 250 Henderson, CO 80640
Linal Trotter 7695 E. 104th Avenue Henderson, CO 80640	Aida Sami Mikail Gerges 1706 Cliff Street Pittsburgh, PA 15219
Basalt 2 River LLC 1550 Larimer Street, Suite 256 Denver, CO 80220	David E. Howe and Anne M. Howe Hoffman Route Livingston, MT 59047

<p>The Fulton Irrigating Ditch Company  25 South 4th Avenue  Brighton, CO 80601</p>	<p>Colorado Department of Transportation  2000 S. Holly Street  Denver, CO 80222</p>
<p>Francisco Vasquez, Sr. and Francisco Vasquez Jr.  11960 Quebec Street  Brighton, CO 80602</p>	<p>George Raikas  11781 Ivy Street  Thornton, CO 80223</p>
<p>Adams County  4300 South Adams County Pkwy.  Brighton, CO 80601-8218</p>	



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SOUTH, RANGE 67 WEST, 6TH P.M., 6TH P.M., FOR )  
THE CODELL-NIOBRARA FORMATIONS, )  
WATTENBERG FIELD, ADAMS COUNTY, COLORADO )

CERTIFICATE OF SERVICE

Casey C. Breese, of lawful age, and being first duly sworn upon her oath, states and declares that he is the attorney for PetroShare Corp. in the above-captioned matter, and that on September 4<sup>th</sup> 2018, he caused a copy of the **AMENDED** Application filed in this matter to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the **AMENDED** Application.



Casey C. Breese

Subscribed and sworn to before me on the 5<sup>th</sup> day of September, 2018.

Witness my hand and official seal.

  
Notary Public

SHERYL R. GUNTER  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 19904001724  
MY COMMISSION EXPIRES FEBRUARY 12, 2022