

**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF AN APPLICATION BY SRC
ENERGY INC. FOR AN ORDER AMENDING
COMMISSION ORDER NO. 407-2166 TO AMEND
THE APPLICATION LANDS ONLY AS TO THE
AG 4N-31B-L WELL FOR DEVELOPMENT OF THE
NIOBRARA FORMATION, WATTENBERG FIELD,
WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

SRC Energy Inc. (Operator No. 10311) ("SRC" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order amending Commission Order No. 407-2166, only as to Wellbore Spacing Unit No. 5, to amend the Application Lands for the AG 4N-31B-L Well, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant is an owner in the below-listed lands:

Township 6 North, Range 66 West, 6th P.M.

Section 31: N $\frac{1}{2}$

Section 32: N $\frac{1}{2}$

Section 33: W $\frac{1}{2}$ NW $\frac{1}{4}$

Township 6 North, Range 67 West, 6th P.M.

Section 36: NE $\frac{1}{4}$ NE $\frac{1}{4}$

771.886 acres, more or less, in Weld County, Colorado¹

These lands are hereinafter referred to as the "Application Lands" and depicted in Exhibit A attached hereto.

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. On December 5, 2005, Rule 318A. was amended 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

¹ The Application Lands contain irregular lots. Acreage in this area is based on the known survey markers found in the field. Accordingly, the acreage comprising the drilling and spacing unit has been modified to reflect the presence of irregular quarter-quarter sections.

amended to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A.

4. On July 24, 2017, the Commission entered Order No. 407-2166 which, among other things, pooled all interests in five approximate 811.886 wellbore spacing units for the below-described lands for the development and operation of the Niobrara and Codell Formations:

Township 6 North, Range 66 West, 6th P.M.

Section 31: N $\frac{1}{2}$

Section 32: N $\frac{1}{2}$

Section 33: W $\frac{1}{2}$ NW $\frac{1}{4}$

Township 6 North, Range 67 West, 6th P.M.

Section 36: E $\frac{1}{2}$ NE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") Nos. 1-5

AG 31N-31B-L Well (Niobrara Formation)

AG 31C-31-L Well (Codell Formation)

AG 31N-31C-L Well (Niobrara Formation)

AG 4C-31-L Well (Codell Formation)

AG 4N-31B-L Well (Niobrara Formation)

811.886 acres, more or less, in Weld County, Colorado.

5. WSU No. 5 was pooled for the AG 4N-31B-L Well, for production from the Niobrara Formation, based on the initial plan for the AG 4N-31B-L Well. As drilled, the AG 4N-31B-L Well has not been completed into the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, Township 6 North, Range 67 West, 6th P.M. thus resulting in a modification to the wellbore spacing unit for the AG 4N-31B-L Well that would exclude the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, Township 6 North, Range 67 West, 6th P.M. See Exhibit B, Spacing Unit Map. Applicant has filed the necessary Form 4 Sundry Notice with the Commission for the AG 4N-31B-L Well. Further, Applicant has provided courtesy letters to the appropriate parties within the modified WSU No. 5, an example of which is attached hereto as Exhibit B. There were no new parties to be noticed as a result of the unit restriction.

6. Applicant requests Order No. 407-2166 be amended to modify WSU No. 5, thereby pooling the interests for the Application Lands, resulting in an approximate 781.866-acre wellbore spacing unit for development and operation of the Niobrara Formation, effective as of the earlier of the date of Pooling Order No. 407-2166, or the date the costs specific in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of the AG 4N-31B-L Well.

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

8. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

9. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

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. Amending Pooling Order No. 407-2166 to account for the adjustment to WSU No. 5, and thereby pool the interests in the Application Lands, being an approximate 781.866-acre wellbore spacing unit for development and operation of the Niobrara Formation, effective as of the earlier of the date of Pooling Order No. 407-2166, or the date the costs specific in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of the AG 4N-31B-L Well.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 18th day of October, 2018.

Respectfully submitted,

SRC ENERGY INC.

By: Jobediah Rittenhouse
Jillian Fulcher
James Parrot
Jobediah Rittenhouse
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499
jfulcher@bwenergylaw.com
jparrot@bwenergylaw.com
jrittenhouse@bwenergylaw.com

Address of Applicant
SRC Energy Inc.
ATTN: Matthew Johnson
1675 Broadway, Suite 2600
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Matthew Johnson, Landman for SRC Energy Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information, and belief.

SRC ENERGY INC

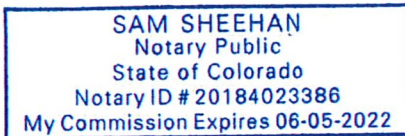


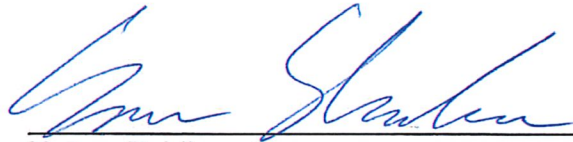
Matthew Johnson

Subscribed and sworn to before me this 17th day of October,
2018, by Matthew Johnson, Landman for SRC Energy Inc.

Witness my hand and official seal.

My commission expires: 06-05-2022





Notary Public

Exhibit A

Reference Map for Application

Township 6 North, Range 66 West, 6th P.M.

Section 31: N $\frac{1}{2}$

Section 32: N $\frac{1}{2}$

Section 33: W $\frac{1}{2}$ NW $\frac{1}{4}$

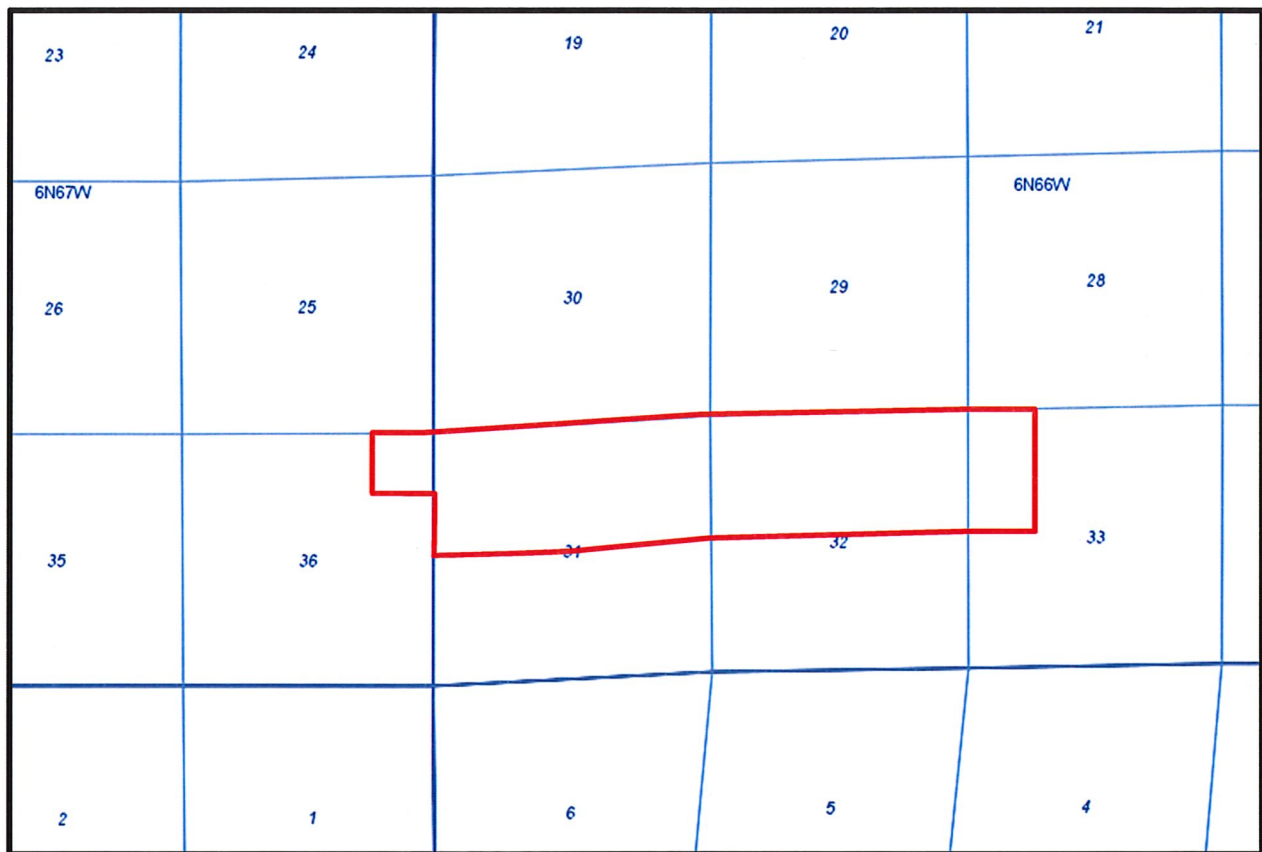
Township 6 North, Range 67 West, 6th P.M.

Section 36: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") No. 5

AG 4N-31B-L Well (Niobrara Formation)

771.886 acres, more or less, Weld County, Colorado



= Application Lands



SRC ENERGY

August 6, 2018

Grizzly Petroleum Company, LLC
1001 17th Street, Ste. 2000
Denver, CO 80202

RE: Ag 4N-31B-L
Courtesy Notice

Township 6 North, Range 66 West

Section 31: N/2

Section 32: N/2

Section 33: W/2NW/4

Township 6 North, Range 67 West

Section 36: E/2NE/4

Weld County, Colorado

Dear Owner:

Upon review of the well completion data of the above referenced well, the horizontal wellbore spacing unit for this well is to be applied for sundry per the COGCC requirements under rule 318A.a.(4)D. Enclosed for your information is the Spacing Unit Map representing this notice.

Additional information for this well:

(1) **Wellbore Spacing Unit**

The corrections to the horizontal wellbore spacing unit is shown on the enclosed Spacing Unit Map. The working interests attributable to the Codell and/or Niobrara formations in the contributing quarter-quarter sections will be utilized to determine the interests of the parties in the proposed horizontal wellbore spacing unit for this well. It appears that you own a working interest or unleased mineral interest in the proposed horizontal wellbore spacing units for this well.

(2) **Target Formations**

The wells were drilled to a total depth to sufficiently test the Codell and/or Niobrara formations.

(3) **Spud Date**

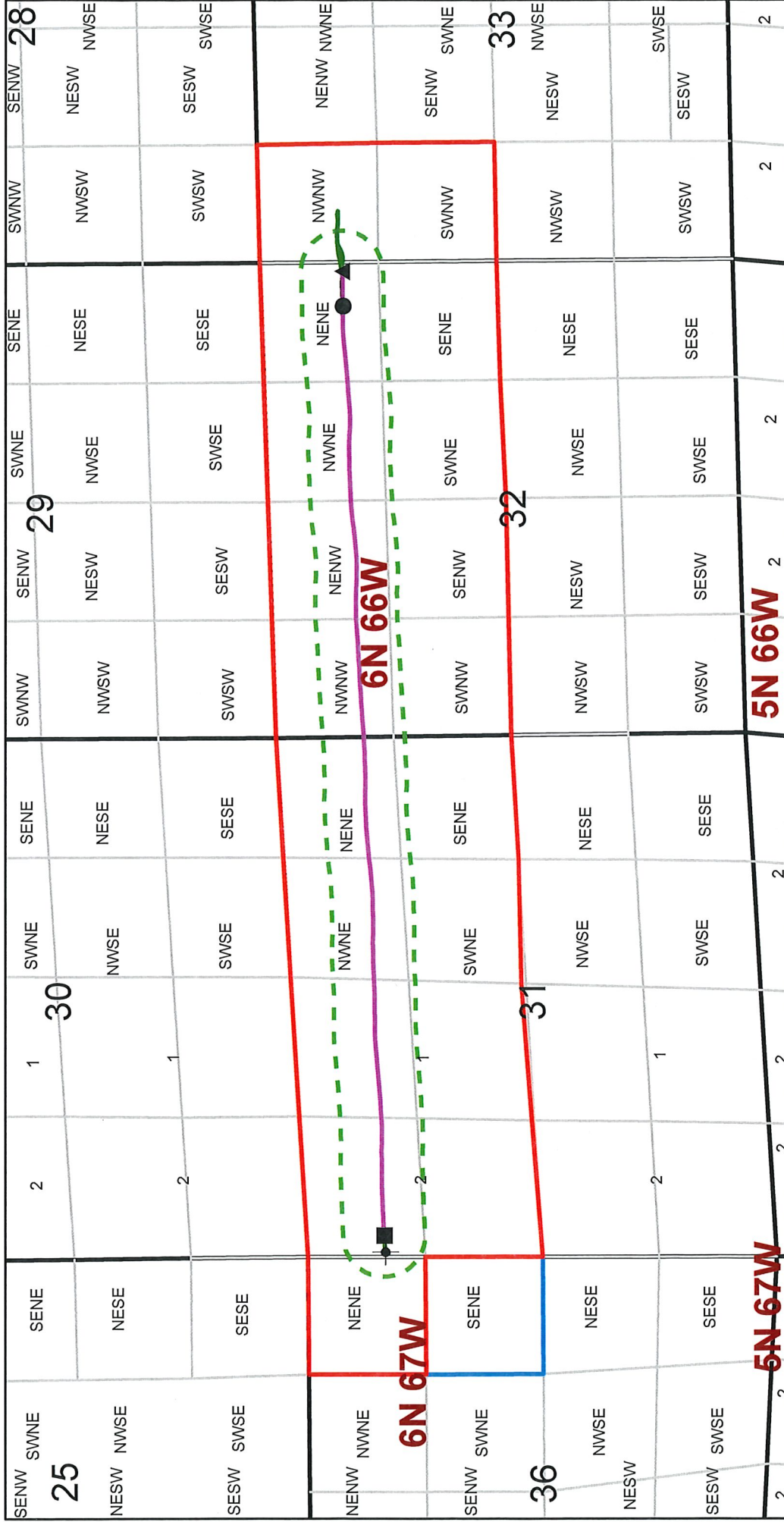
06/22/2017

If you have any questions, please contact me at mjohnson@srcenergy.com or (720) 616-4375.

Sincerely,
SRC Energy, Inc.

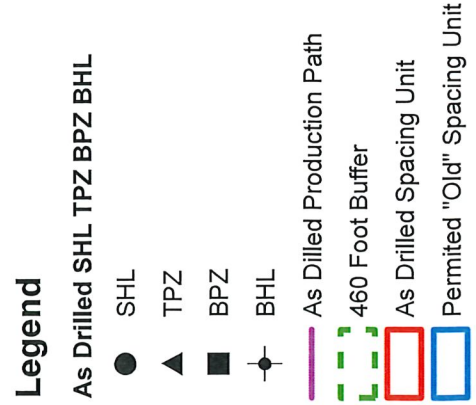
Matthew E. Johnson

Enclosure



Spacing Unit Map Ag 4N-31B-L

Spacing Unit
T 6N R 66W
 Sec 31: N/2
 Sec 32: N/2
 Sec 33: W/2NW/4
T 6N R 67W
 Sec 36: NE/4NE/4



Map Created by
Sam Sheehan
Date: 7/19/2018



IN THE MATTER OF AN APPLICATION BY SRC
ENERGY INC. FOR AN ORDER AMENDING
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WELD COUNTY, COLORADO

TYPE: POOLING

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for SRC Energy, Inc., and on or before the 25th day of October, 2018, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A attached hereto.

Notary Public



EXHIBIT A

INTERESTED PARTIES

AMERITAS LIFE INSURANCE CORP.
PO BOX 40888
CINCINNATI, OH 45240-0888

CRAIG P. HENDERSON
1206 SANTA FE CIRCLE
FRUITA, CO 81521

DAVID M. TORKELSON
6201 WEST 92ND PLACE
WESTMINSTER, CO 80031

HAROLD C. BUXMAN AND DORIS F. BUXMAN,
JTS
14441 WCR 66
GREELEY, CO 80631

LEE ANN HELDT AND GAIL S. HARDING, AS
CO-TRUSTEES OF THE HULL FAMILY TRUST
CREATED BY TRUST AGREEMENT DATED
OCTOBER 31, 1994
602 PINE MTN. CT.
WINDSOR, CO 80550

KENNETH EUGENE TIGGES
12406 CR 64 1/2
GREELEY, CO 80631-9342

LORENE JIMENEZ
1901 BRONSON ST.
FT. COLLINS, CO 80526

NOBLE R. BENSON
30942 ROCKY ROAD
GREELEY, CO 80631

ORR RESOURCES, LLC
1813 61ST AVE. SUITE 200
GREELEY, CO 80634

RAISA II MINERALS, LLC
PO BOX 987
DENVER, CO 80201

RICHARD W. GOETZEL AND MARY ANN
GOETZEL, JTS
13489 WCR 66
GREELEY, CO 80631

STATE OF COLORADO
1127 SHERMAN ST. SUITE 300
DENVER, CO 80203

UNION CENTRAL LIFE INSURANCE COMPANY
PO BOX 40888
CINCINNATI, OH 45240-0888

WELD COUNTY
1150 O STREET PO BOX 7058
GREELEY, CO 80632

WOLFHAWK ENERGY HOLDINGS LLC
999 18TH ST. SUITE 1650S
DENVER, CO 80202

GRIZZLY PETROLEUM COMPANY, LLC
1801 BROADWAY SUITE 500
DENVER, CO 80202

J. CLEO THOMPSON AND JAMES CLEO
THOMPSON, JR., A PARTNERSHIP
325 N. SAINT PAUL STREET SUITE 4300
DALLAS, TX 75201

WESTERMAN, LTD.
15505 WRIGHT BROTHERS DRIVE
ADDISON, TX 75001

TIMOTHY S. HAGER, AS TRUSTEE OF THE
TIMOTHY S. HAGER REVOCABLE TRUST
155 E. BOARDWALK DR. SUITE 400
FT. COLLINS, CO 80525-3040

GEORGE G. VAUGHT, JR.
P.O. BOX 13557
DENVER, CO 80201

NICHOLAS RYAN HAGER
8425 BLACKWOOD DR.
WINDSOR, CO 80550

BARBARA A. WHITMORE
5872 S. QUATAR CIR.
CENTENNIAL, CO 80015

DANIEL CALVIN WEBSTER TRUST
1863 E. SEADRIFT DRIVE
WINDSOR, CO 80550

DENVER AGGREGATES, INC.
3605 S. TELLER ST.
LAKEWOOD, CO 80235

HARRISON H. HULL, AS TRUSTEE OF THE
HULL FAMILY TRUST CREATED BY THAT
TRUST AGREEMENT DATED OCTOBER 31,
1994
602 PINE MTN. CT.
WINDSOR, CO 80550

KELLY RAE CANNON
30878 ROCKY RD.
GREELEY, CO 80631-9375

KIM DAVIS
8150 W 12TH ST. APT C1
GREELEY, CO 80634-4763

MARTIN MARIETTA MATERIALS, INC.
PO BOX 677061
DALLAS, TX 75267-7061

NORMA JEAN THOMASON
1222 QUAIL HOLLOW DR.
BATON ROUGE, LA 70810

PERRY LYNN BUCK TRUST
1863 E. SEADRIFT DRIVE
WINDSOR, CO 80550

RAWAH RESOURCES LLC
P.O. BOX 399
TIMNATH, CO 80547

SHELLI R. RIEDESEL
23416 MONTANA HWY 35
BIG FORK, MT 59911

TOLLGATE FARMS, INC.
11503 ROYAL SILVER DRIVE
HOUSTON, TX 77082

WADE WEST WEBSTER TRUST
13305 NE 171ST APT D 329
WOODINVILLE, WA 98072

WILLIAM ALLEN HANGE JR AND RENE'
LORRAINE HANGE, JTS
PO BOX 7206
LOVELAND, CO 80537

WWF RESOURCES, LLC
30951 WCR 27
GREELEY, CO 80631

DANMAR PRODUCTION COMPANY, LLC
3945 18TH STREET LANE
GREELEY, CO 80634

ANDREW S. PETERSON
1805 MORNING DR.
LOVELAND, CO 80538

ORR ENERGY, LLC
1813 61ST AVE. SUITE 200
GREELEY, CO 80634

BYNUM OIL COMPANY, INC.
PO BOX 3208
MIDLAND, TX 79702

MARY ELIZABETH HAGER, AS TRUSTEE OF
THE MARY ELIZABETH HAGER REVOCABLE
TRUST
3767 TAYSIDE CT.
TIMNATH, CO 80547-2247