

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

IN THE MATTER OF AN **AMENDED** APPLICATION
BY SRC ENERGY INC. FOR AN ORDER
ESTABLISHING AN APPROXIMATE ~~3,854~~ **3,210.54**-
ACRE DRILLING AND SPACING UNIT FOR
SECTIONS ~~45~~, 16, 17, 18, TOWNSHIP 5 NORTH,
RANGE 66 WEST, 6TH P.M. AND SECTIONS 13 AND
14, TOWNSHIP 5 NORTH, RANGE 67 WEST, 6TH
P.M., FOR HORIZONTAL WELL DEVELOPMENT OF
THE NIOBRARA AND CODELL FORMATIONS,
WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 181200954

TYPE: SPACING AND
DENSITY

AMENDED APPLICATION

SRC Energy Inc. (Operator No. 10311) ("SRC" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this **Amended** Application ("**Application**") to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate ~~3,854~~ **3,210.54**-acre drilling and spacing unit for Sections ~~45~~, 16, 17, 18, Township 5 North, Range 66 West, 6th P.M. and Sections 13 and 14, Township 5 North, Range 67 West, 6th P.M., and authorizing the drilling of up to 78 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. 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 5 North, Range 66 West, 6th P.M.

Section 15: All

Section 16: All

Section 17: All

Section 18: All

Township 5 North, Range 67 West, 6th P.M.

Section 13: All

Section 14: All

3,854 3,210.54 acres, more or less, Weld County, Colorado.¹

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

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.

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

4. The online records maintained by the COGCC indicate that numerous vertical and directional wells are currently producing from the Codell and/or Niobrara Formations in the Application Lands, as depicted on **Amended Exhibit B** attached hereto. Applicant hereby confirms that each of these wells shall remain subject to applicable spacing orders of the Commission, and shall not be affected by Applicant's requested relief under this Application. Proceeds from the sale of oil or gas from these wells shall continue to be distributed based on the applicable spacing orders for these wells. As of the date of this Application, no horizontal wells have been drilled within the proposed unit.

Establishing an approximate ~~3,854~~ 3,210.54-acre drilling and spacing unit and authorizing up to 78 horizontal wells for development of the Niobrara and Codell Formations

5. Applicant requests the Commission establish the Application Lands as an approximate ~~3,854~~ **3,210.54**-acre drilling and spacing unit for the Niobrara and Codell Formations pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Niobrara and Codell Formations.

6. Applicant requests it be authorized to drill and complete up to 78 horizontal wells in the approximate ~~3,854~~ **3,210.54**-acre drilling and spacing unit proposed for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

Setback and Location Requirements

7. Applicant requests that setback and location requirements for the Application Lands be as follows:

A. For any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the northern, southern, and eastern boundaries of the proposed unit, not less than 150 feet from the western boundaries of the proposed unit, with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Niobrara and Codell Formations, without exception being granted by the Director.

B. Any horizontal wells to be drilled under this Application for production from the Niobrara and Codell Formations will be drilled in an east/west orientation, from the surface of the drilling unit, or on adjacent lands with consent of the landowner, from no more than three surface locations, unless an exception is granted by the Director.

8. Upon approval of the Application, Applicant agrees to provide the Commission with an annual review of its drilling activities within the unit until the unit is substantially developed, at which point such annual review shall discontinue.

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

10. 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.

11. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within fifteen 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. Establishing an approximate ~~3,854~~ 3,210.54-acre drilling and spacing unit for Application Lands, and authorizing the drilling of up to 78 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the northern, southern, and eastern boundaries of the proposed unit, not less than 150 feet from the western boundaries of the proposed unit, with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Niobrara and Codell Formations, without exception being granted by the Director.

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

DATED this ~~18th day of October~~ 1st Day of November, 2018.

Respectfully submitted,

SRC ENERGY INC.

By: Jobediah Rittenhouse
Jillian Fulcher
James Parrot
Jobediah Rittenhouse
Beatty & Wozniak, P.C.
Attorneys for Applicant
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Denver, Colorado 80202
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jfulcher@bwenergylaw.com
jparrot@bwenergylaw.com
jrittenhouse@bwenergylaw.com

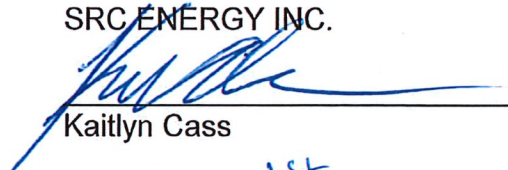
Address of Applicant
SRC Energy Inc.
ATTN: Kaitlyn Cass
1675 Broadway, Suite 2600
Denver, Colorado 80202

VERIFICATION

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

Kaitlyn Cass, Landman for SRC Energy Inc., upon oath deposes and says that she has read the foregoing Amended Application and that the statements contained therein are true to the best of her knowledge, information, and belief.

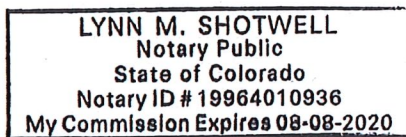
SRC ENERGY INC.

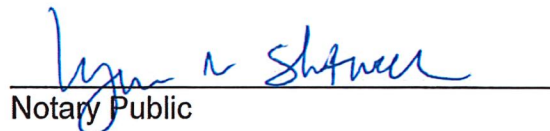

Kaitlyn Cass

Subscribed and sworn to before me this 1st day of November,
2018, by Kaitlyn Cass, Landman for SRC Energy Inc.

Witness my hand and official seal.

My commission expires: 8/8/2020




Notary Public

Amended Exhibit A

Reference Map for Amended Spacing Application

Township 5 North, Range 66 West, 6th P.M.

Section 15: All

Section 16: All

Section 17: All

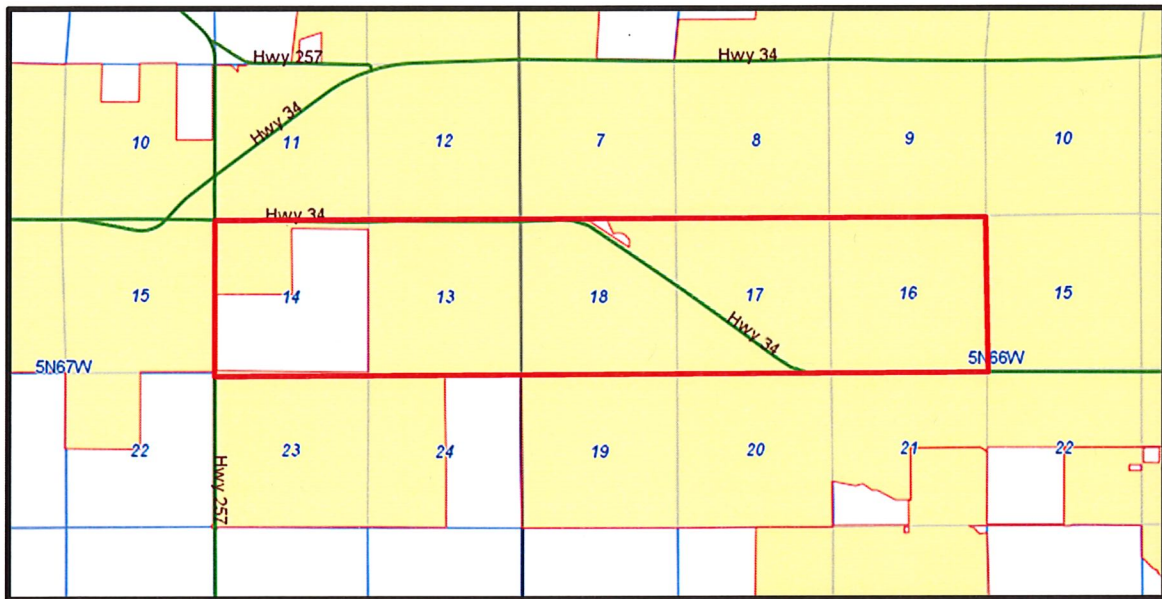
Section 18: All

Township 5 North, Range 67 West, 6th P.M.

Section 13: All

Section 14: All

3,854 3,210.54 acres, more or less, Weld County, Colorado



= Application Lands

AMENDED EXHIBIT B

Producing Vertical and Directional Wells

Township 5 North, Range 66 West, 6th P.M.

Section 15: All

Section 16: All

Section 17: All

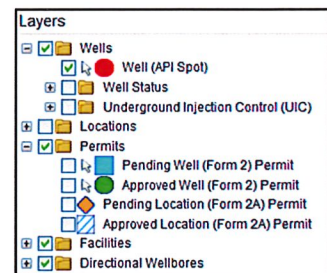
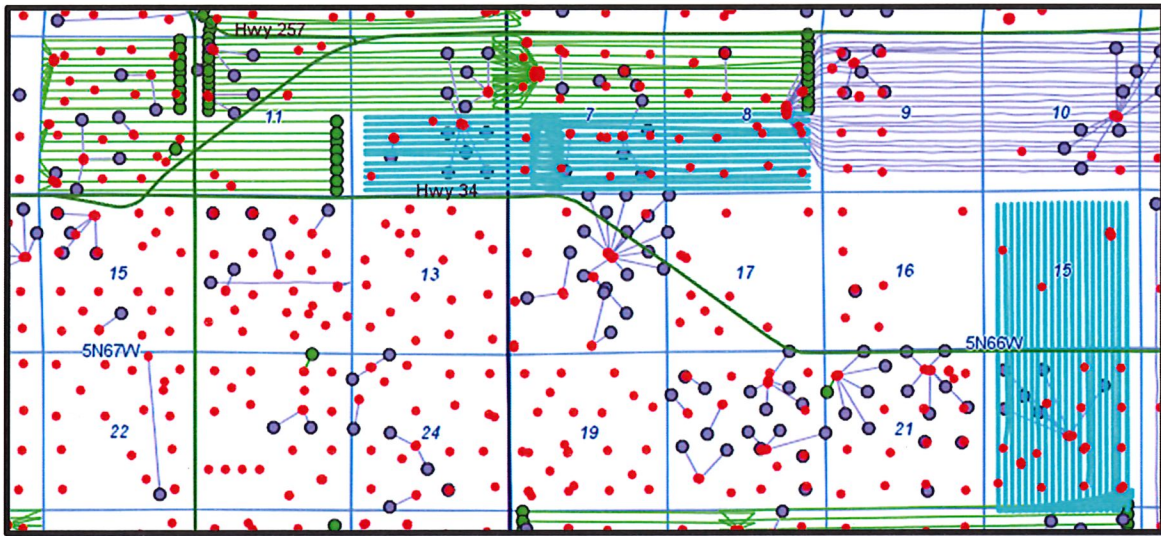
Section 18: All

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TYPE: SPACING AND DENSITY

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 gh day of November, 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.


Grace Go-Hoveland

Subscribed and sworn to before me this 1st day of November, 2018.

Witness my hand and official seal.

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION EXPIRES OCTOBER 4, 2021


Notary Public

EXHIBIT A

INTERESTED PARTIES

SRC ENERGY INC.
1675 BROADWAY, SUITE 2600
DENVER, CO 80202

PDC ENERGY, INC.
1175 SHERMAN STREET SUITE 3000
DENVER, CO 80203

JIM L. ELLS, A SINGLE MAN
2435 71ST AVE
GREELEY, CO 80634

CHARLES T. JOBE
C/O R. SAM OLDENBURG
1920 25TH AVE
GREELEY, CO 80634

HEIRS OR ASSIGNS OF JESSIE K. MOSS, A/K/A
JESSIE KIDWELL WOOD, DECEASED
21205 CARRIAGE DR
TEHACHAPI, CA 93561

CHARLES K. GETTING AND VICKI M. GETTING, JTS
6701 W 22ND ST
GREELEY, CO 80634

R. SAM OLDENBURG
1920 25TH AVE
GREELEY, CO 80634

WOLFHAWK ENERGY HOLDINGS, LLC
1580 LINCOLN STREET, SUITE 1100
DENVER, CO 80203

RICHMARK REAL ESTATE PARTNERS, LLC
5200 W 20TH STREET
GREELEY, CO 80634

ANADARKO E&P ONSHORE LLC
1099 18TH STREET SUITE 1800
DENVER, CO 80202

EXTRACTION OIL & GAS, LLC, A DELAWARE
LIMITED LIABILITY COMPANY
370 17TH ST SUITE 5300
DENVER, CO 80202

FRANCES D. GILBERT
68 INDIGO WAY
CASTLE ROCK, CO 80108

LEBA W. SARKIS
2598 53RD AVE
GREELEY, CO 80634

PATRICK M. GROOM AND FATIMA D. GROOM, JTS
2540 53RD AVE
GREELEY, CO 80634

TIMBERLINE TRUST
5333 W 25TH STREET
GREELEY, CO 80634

SCOTT MARCUS GATTIS AND CAROLYN DAWN
GATTIS, JTS
2586 54TH
GREELEY, CO 80634

SCOT E. NEALY AND DONICE M. NEALY, JTS
2553 54TH AVE.
GREELEY, CO 80634

LINDA B. ADAMS
2544 56TH AVE.
GREELEY, CO 80634

JOHN M. CLINEBELL AND SHARON K. CLINEBELL,
JTS
2623 55TH AVE
GREELEY, CO 80634

ANDERSON LIVING TRUST DATED DECEMBER 22,
2003
2691 54TH AVE
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CASTLE ROCK, CO 80108

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SANTA CRUZ, CA 95602

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COLORADO PARKS AND WILDLIFE
NORTHEAST REGION OFFICE
6060 BROADWAY
DENVER, CO 80216

KERR-MCGEE OIL & GAS ONSHORE LP
1099 18TH STREET SUITE 1800
DENVER, CO 80202

ROBERT L. HAYNIE REVOCABLE TRUST U/A DATED
12/20/1991, ROBERT L. HAYNIE AND JAMES D.
HANEGAN, TRUSTEES
1625 BROADWAY, SUITE 800
DENVER, CO 80202

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NEW ROCHELLE, NY 10804

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BOULDER, CO 80304

TOSTEL CORPORATION
PO BOX 227
NEW ROCHELLE, NY 10804

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GREELEY, CO 80634

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GREELEY, CO 80634

MARION C. CAMPBELL AND KAREN S. GENOFF
CAMPBELL, JTS
2519 53RD AVE
GREELEY, CO 80634

BENJAMIN J. THEIS AND CARLY E. THEIS, JTS
2596 54TH AVE
GREELEY, CO 80634

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GREELEY, CO 80634

MATTHEW PRING AND BRANDI LYNN NIETO, JTS
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GREELEY, CO 80634

JEFFREY HAMILTON AND STEPHANIE HAMILTON,
JTS
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GREELEY, CO 80634

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LOCAL GOVERNMENT DESIGNEE
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GREELEY, CO 80631

SEAN HACKETT
OIL & GAS CONSULTANT COORDINATOR
COLORADO DEPARTMENT OF
PUBLIC HEALTH & ENVIRONMENT
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