

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 FORMATION, WATTENBERG)	
FIELD, WELD COUNTY, COLORADO)	TYPE: POOLING

APPLICATION

PDC Energy, Inc. (Operator No. 69175) ("PDC"), 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 amend Order No. 407-1821, insofar as it covers the Dunn 7L-221 Well, to apply only to the as-drilled acreage for the Dunn 7L-221 Well (API No. 05-123-42827) ("Well"), which consists of the following lands:

Township 5 North, Range 64 West, 6th P.M.

Section 6: E $\frac{1}{2}$ W $\frac{1}{2}$

Section 7: E $\frac{1}{2}$ W $\frac{1}{2}$

Township 6 North, Range 64 West, 6th P.M.

Section 31: SE $\frac{1}{4}$ SW $\frac{1}{4}$

Weld County, Colorado, containing 346.95 acres ("Application Lands")

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 6 and 7, Township 5 North, Range 64 West, 6th P.M., and Section 31, Township 6 North, Range 64 West, 6th P.M., are subject to this Rule for the Niobrara Formation.
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 6 and 7, Township 5 North, Range 64 West, 6th P.M., and Section 31, Township 6 North, Range 64 West, 6th P.M., with the permitted well locations in accordance with the provisions of Order 407-1.

5. On October 24, 2016, the Commission entered Order No. 407-1823, which, among other things, pooled all non-consenting interests in an approximate 640-acre wellbore spacing unit for the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 7, S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 8, N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17, and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the HOP 18E-232 Well (API No. 05-123-43160), from the Niobrara Formation. Order No. 407-1823 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

6. PDC filed this Application to amend Order No. 407-1821. The Commission entered Order No. 407-1821 on October 24, 2016. Order No. 407-1821 pooled, among other things, all non-consenting interests in an approximate 720-acre wellbore spacing unit for the W $\frac{1}{2}$ of Section 6 and the W $\frac{1}{2}$ of Section 7, Township 5 North, Range 64 West, 6th P.M., and the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 31, Township 6 North, Range 64 West, 6th P.M., for the Dunn 7L-221 Well (API No. 05-123-42827), from the Niobrara Formation. After the Commission entered Order No. 407-1821, PDC modified its drilling plans for the Well and, as a result, reduced the size of the wellbore spacing unit for the Well to a 346.95-acre wellbore spacing unit consisting of the following lands:

Township 5 North, Range 64 West, 6th P.M.

Section 6: E $\frac{1}{2}$ W $\frac{1}{2}$

Section 7: E $\frac{1}{2}$ W $\frac{1}{2}$

Township 6 North, Range 64 West, 6th P.M.

Section 31: SE $\frac{1}{4}$ SW $\frac{1}{4}$

Weld County, Colorado, containing 346.95 acres ("Wellbore Spacing Unit" in this Application)

7. The COGCC has not published any additional orders affecting the Application Lands as of the date of this Application.

8. On August 3, 2018, COGCC Permitting approved a Form 4/Sundry Notice for the Dunn 7L-221 Well to modify the wellbore spacing unit to reflect the as-drilled acreage of the Wellbore Spacing Unit (attached as Exhibit B).

9. Under the provisions of Rule 530 and C.R.S. § 34-60-116(6)–(7), PDC requests that the Commission amend Order No. 407-1821 to reflect the as-drilled acreage of the Well and, accordingly, to apply the involuntary pooling provisions of Order No. 407-1821 to only the Wellbore Spacing Unit.

10. PDC requests that the Commission's amended Order No. 407-1821 be made effective as of the earlier date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Dunn 7L-221 Well to the Niobrara Formation in the Wellbore Spacing Unit.

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

12. 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.

13. PDC certifies that copies of this Application will be served on all owners of the mineral estate, as indicated and required by Rule 507.b(2), underlying the tracts of the Wellbore Spacing Unit within seven (7) days of the date hereof, and that at least thirty-five (35) days prior to the hearing on this matter. The list of such Interested Parties, is attached as Exhibit A.

14. In order to prevent waste and to protect correlative rights, all interests and tracts in the Wellbore Spacing Unit should be pooled for the orderly drilling and development of the Niobrara Formation.

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:

- A. Amending Order No. 407-1821, insofar as it covers the Dunn 7L-221 Well, to apply only to the Wellbore Spacing Unit for the Dunn 7L-221 Well, drilled to develop the Niobrara Formation; and
- B. Providing for such other findings and order as the Commission may deem proper or advisable in this matter.

[SIGNATURE PAGE FOLLOWS]

DATED this 18th day of October, 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.

Ms. Katherine Wilson

1775 Sherman Street - Suite 3000

Denver, CO 80203

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The undersigned, of lawful age, having been first sworn upon her oath, deposes and states that:

1. She is a Regional Landman for PDC Energy, Inc., which address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.

2. She has read the attached application to amend Order No. 407-1821 for the Dunn 7L-221 Well, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of her knowledge and belief.

Further Affiant sayeth not.



Katherine Wilson, RPL

Subscribed and sworn to before me this 18th day of October, 2018.

Witness my hand and official seal.

My commission expires: 9.24.22

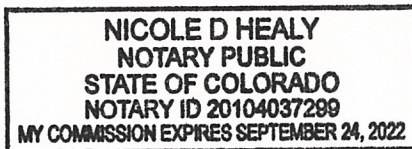




EXHIBIT A

Interested Parties

Dunn 7L-221 Well

PDC Energy, Inc.
Bayswater Fund III-A, LLC
Bayswater Resources LLC
Incline Niobrara Partners, LP
Noble Energy, Inc.
2004 Patterson Family Revocable Trust u/d/t August 31, 2004
Anita L. Owen
Anthony Energy, Ltd
Betsy A. Klein Revocable Trust, dated November 10, 2014
Birmingham Corporation
Blackriver, LLC
Carolyn Plumb
Cayman Resources, Inc.
Centennial Royalty, JV
Cervi Enterprises, Inc.
Danny Looney, Inc.
Dios del Mar Royalty Holding Company LLC
Dorothy Jean Peterson
E.G. Energy, L.L.C.
Elisabeth M. Ganuchau
Eltife Properties, Ltd.
Farr Farms Company
Farrington Children's Trust
Frank P. Ganuchau, III
Front Range Feedlots
G.R. Coddington Ventures, Ltd.
GC Wattenberg Partners LP
James D. Klein Revocable Trust, dated November 10, 2014

Joan M. Johnston
Joe C. Silva & Marie N. Silva, JT
Judy G. Dunn
Kathleen L. Berryman
Kenneth K. Osaki
Laura E. Leonard Insurance Trust I
Life Royalties, Ltd.
Louise Keffler
Maxine K. Hurt
Monte R. Schmidt
Nancy Jayne Allnutt
Noffsinger Manufacturing Co., Inc.
O.P. Leonard, III
Orange River Royalties, LLP
Ovid A. Plumb
Patricia Ellen Burch
Patricia H. Farrington Trust
Peyton Energy, LP
Principle Energy, L.L.C.
Ramon V. Klein Revocable Trust
Red Harlan Royalties, Ltd.
Regal Petroleum, L.L.C.
Robert Borgers
Roberta Jean Nelson
Sally J. Schmidt Ashby
Sierra Echo Resources
The Gervais Revocable Trust, dated December 14, 2000
The Phyllis L. Dunn Living Trust, u/a/d March 7, 2001
The William B. Preston Living Trust u/a, dated August 26, 1997
Vine Royalty, L.P.
Walter F. Farrington, Jr.

Weld County, Colorado
Westco Family Limited Partnership
WHL, Inc.
William J. Dunn
William T. Klein
Wolf Resources Holding I, LLC

EXHIBIT B

Approved APD and Wellbore Spacing Unit Map

Dunn 7L-221 Well

[ATTACHED]

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
Document Number: 401713752			
Date Received: 07/25/2018			

SUNDRY NOTICE

Submit a signed original. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full in Comments or provide as an attachment. Identify Well by API Number; identify Oil and Gas Location by Location ID Number; identify other Facility by Facility ID Number.

OGCC Operator Number: <u>69175</u>	Contact Name <u>Ally Ota</u>
Name of Operator: <u>PDC ENERGY INC</u>	Phone: <u>(303) 860-5800</u>
Address: <u>1775 SHERMAN STREET - STE 3000</u>	Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80203</u>	Email: <u>alexandria.ota@pdce.com</u>

Complete the Attachment
Checklist

OP OGCC

API Number : <u>05-</u> <u>123</u> <u>42827</u> <u>00</u>	OGCC Facility ID Number: <u>444957</u>
Well/Facility Name: <u>Dunn</u>	Well/Facility Number: <u>7L-221</u>
Location QtrQtr: <u>SWSW</u> Section: <u>7</u> Township: <u>5N</u> Range: <u>64W</u> Meridian: <u>6</u>	
County: <u>WELD</u> Field Name: <u>WATTENBERG</u>	
Federal, Indian or State Lease Number: <u></u>	

Survey Plat		
Directional Survey		
Srvc Eqpmt Diagram		
Technical Info Page		
Other		

CHANGE OF LOCATION OR AS BUILT GPS REPORT

☐ Change of Location * ☐ As-Built GPS Location Report ☐ As-Built GPS Location Report with Survey

* Well location change requires new plat. A substantive surface location change may require new Form 2A.

SURFACE LOCATION GPS DATA Data must be provided for Change of Surface Location and As Built Reports.

Latitude PDOP Reading Date of Measurement
Longitude GPS Instrument Operator's Name

LOCATION CHANGE (all measurements in Feet)

Well will be: (Vertical, Directional, Horizontal)

Change of **Surface** Footage **From** Exterior Section Lines:

Change of **Surface** Footage **To** Exterior Section Lines:

Current **Surface** Location **From** QtrQtr SWSW Sec 7

New **Surface** Location **To** QtrQtr Sec

Change of **Top of Productive Zone** Footage **From** Exterior Section Lines:

Change of **Top of Productive Zone** Footage **To** Exterior Section Lines:

Current **Top of Productive Zone** Location **From** Sec 7

New **Top of Productive Zone** Location **To** Sec

Change of **Bottomhole** Footage **From** Exterior Section Lines:

Change of **Bottomhole** Footage **To** Exterior Section Lines:

Current **Bottomhole** Location Sec 6 Twp 5N

New **Bottomhole** Location Sec Twp

Is location in High Density Area?

Distance, in feet, to nearest building , public road: , above ground utility: , railroad: ,

property line: , lease line: , well in same formation:

Ground Elevation feet Surface owner consultation date

FNL/FSL		FEL/FWL	
<u>735</u>	<u>FSL</u>	<u>980</u>	<u>FWL</u>
<u></u>	<u></u>	<u></u>	<u></u>
Twp <u>5N</u>	Range <u>64W</u>	Meridian <u>6</u>	
Twp <u></u>	Range <u></u>	Meridian <u></u>	
<u>487</u>	<u>FSL</u>	<u>1670</u>	<u>FWL</u>
<u></u>	<u></u>	<u></u>	<u></u>
Twp <u>5N</u>	Range <u>64W</u>		
Twp <u></u>	Range <u></u>		
<u>200</u>	<u>FNL</u>	<u>1666</u>	<u>FWL</u>
<u></u>	<u></u>	<u></u>	<u></u>
Twp <u>5N</u>	Range <u>64W</u>		
Twp <u></u>	Range <u></u>		

**

**

** attach deviated drilling plan

CHANGE OR ADD OBJECTIVE FORMATION AND/OR SPACING UNIT

<u>Objective Formation</u>	<u>Formation Code</u>	<u>Spacing Order Number</u>	<u>Unit Acreage</u>	<u>Unit Configuration</u>
NIOBRARA	NBRR		360	GWA

OTHER CHANGES

☐ **REMOVE FROM SURFACE BOND** Signed surface use agreement is a required attachment

☐ **CHANGE OF WELL, FACILITY OR OIL & GAS LOCATION NAME OR NUMBER**

From: Name DUNN Number 7L-221 Effective Date: _____

To: Name _____ Number _____

☐ **ABANDON PERMIT: Permit can only be abandoned if the permitted operation has NOT been conducted. Field inspection will be conducted to verify site status.**

☐ WELL: Abandon Application for Permit-to-Drill (Form2) – Well API Number _____ has not been drilled.

☐ PIT: Abandon Earthen Pit Permit (Form 15) – COGCC Pit Facility ID Number _____ has not been constructed (Permitted and constructed pit requires closure per Rule 905)

☐ CENTRALIZED E&P WASTE MANAGEMENT FACILITY: Abandon Centralized E&P Waste Management Facility Permit (Form 28) – Facility ID Number _____ has not been constructed (Constructed facility requires closure per Rule 908)

OIL & GAS LOCATION ID Number: _____

☐ Abandon Oil & Gas Location Assessment (Form 2A) – Location has not been constructed and site will not be used in the future.

☐ Keep Oil & Gas Location Assessment (Form 2A) active until expiration date. This site will be used in the future.

Surface disturbance from Oil and Gas Operations must be reclaimed per Rule 1003 and Rule 1004.

☐ **REQUEST FOR CONFIDENTIAL STATUS**

☐ **DIGITAL WELL LOG UPLOAD**

☐ **DOCUMENTS SUBMITTED** Purpose of Submission: _____

RECLAMATION**INTERIM RECLAMATION**

☐ Interim Reclamation will commence approximately _____

Per Rule 1003.e.(3) operator shall submit Sundry Notice reporting interim reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Interim reclamation complete, site ready for inspection.

Per Rule 1003.e(3) describe interim reclamation procedure in Comments below or provide as an attachment and attach required location photographs.

Field inspection will be conducted to document Rule 1003.e. compliance

FINAL RECLAMATION

☐ Final Reclamation will commence approximately _____

Per Rule 1004.c.(4) operator shall submit Sundry Notice reporting final reclamation is complete and site is ready for inspection when vegetation reaches 80% coverage.

☐ Final reclamation complete, site ready for inspection. Per Rule 1004.c(4) describe final reclamation procedure in Comments below or provide as an attachment.

Field inspection will be conducted to document Rule 1004.c. compliance

Comments:

ENGINEERING AND ENVIRONMENTAL WORK

☐ NOTICE OF CONTINUED TEMPORARILY ABANDONED STATUS

Indicate why the well is temporarily abandoned and describe future plans for utilization in the COMMENTS box below or provide as an attachment, as required by Rule 319.b.(3).

Date well temporarily abandoned _____ Has Production Equipment been removed from site? _____

Mechanical Integrity Test (MIT) required if shut in longer than 2 years. Date of last MIT _____

☐ SPUD DATE: _____

TECHNICAL ENGINEERING AND ENVIRONMENTAL WORK

Details of work must be described in full in the COMMENTS below or provided as an attachment.

☐ NOTICE OF INTENT Approximate Start Date _____

☐ REPORT OF WORK DONE Date Work Completed _____

- | | | |
|--|---|--|
| <input type="checkbox"/> Intent to Recomplete (Form 2 also required) | <input type="checkbox"/> Request to Vent or Flare | <input type="checkbox"/> E&P Waste Mangement Plan |
| <input type="checkbox"/> Change Drilling Plan | <input type="checkbox"/> Repair Well | <input type="checkbox"/> Beneficial Reuse of E&P Waste |
| <input type="checkbox"/> Gross Interval Change | <input type="checkbox"/> Rule 502 variance requested. Must provide detailed info regarding request. | |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases | |

COMMENTS:

CASING AND CEMENTING CHANGES

Casing Type	Size	Of	/	Hole	Size	Of	/	Casing	Wt/Ft	Csg/LinTop	Setting Depth	Sacks of Cement	Cement Bottom	Cement Top

H2S REPORTING

Data Fields in this section are intended to document Sample and Location Data associated with the collection of a Gas Sample that is submitted for Laboratory Analysis.

Gas Analysis Report must be attached.

H2S Concentration: _____ in ppm (parts per million) Date of Measurement or Sample Collection _____

Description of Sample Point:

Absolute Open Flow Potential _____ in CFPD (cubic feet per day)

Description of Release Potential and Duration (If flow is not open to the atmosphere, identify the duration in which the container or pipeline would likely be opened for servicing operations.):

Distance to nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent: _____

Distance to nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use: _____

COMMENTS:

Best Management Practices

No BMP/COA Type

Description

Operator Comments:

PDC requests to revise the spacing unit for this well as the unit changed after completion.
Actual Spacing Unit: T5N-R64W Section 6: E2W2, Section 7: E2W2; T6N-R64W Section 31: SESW, 360 acres.

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Ally Ota
Title: Regulatory Tech Email: alexandria.ota@pdce.com Date: 7/25/2018

Based on the information provided herein, this Sundry Notice (Form 4) complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: GARRISON, PENNY Date: 8/3/2018

CONDITIONS OF APPROVAL, IF ANY:

COA Type

Description

General Comments

User Group

Comment

Comment Date

Stamp Upon
Approval

Total: 0 comment(s)

Attachment Check List

Att Doc Num

Name

401713752 SUNDRY NOTICE APPROVED-OBJ

401713757 PROPOSED SPACING UNIT

401724325 FORM 4 SUBMITTED

Total Attach: 3 Files



Corporate Office
1775 Sherman Street, #3000
Denver, Colorado 80203
303.860.5800
www.pdce.com

July 25, 2018

State of Colorado, Oil & Gas Conservation Commission
Attn: Director
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: **30 Day Certification Letter – Rule 318Ae**
Dunn 7L-221
SWSW Section 7, T5N-R64W, 6th PM
Weld County, Colorado

Dear Director,

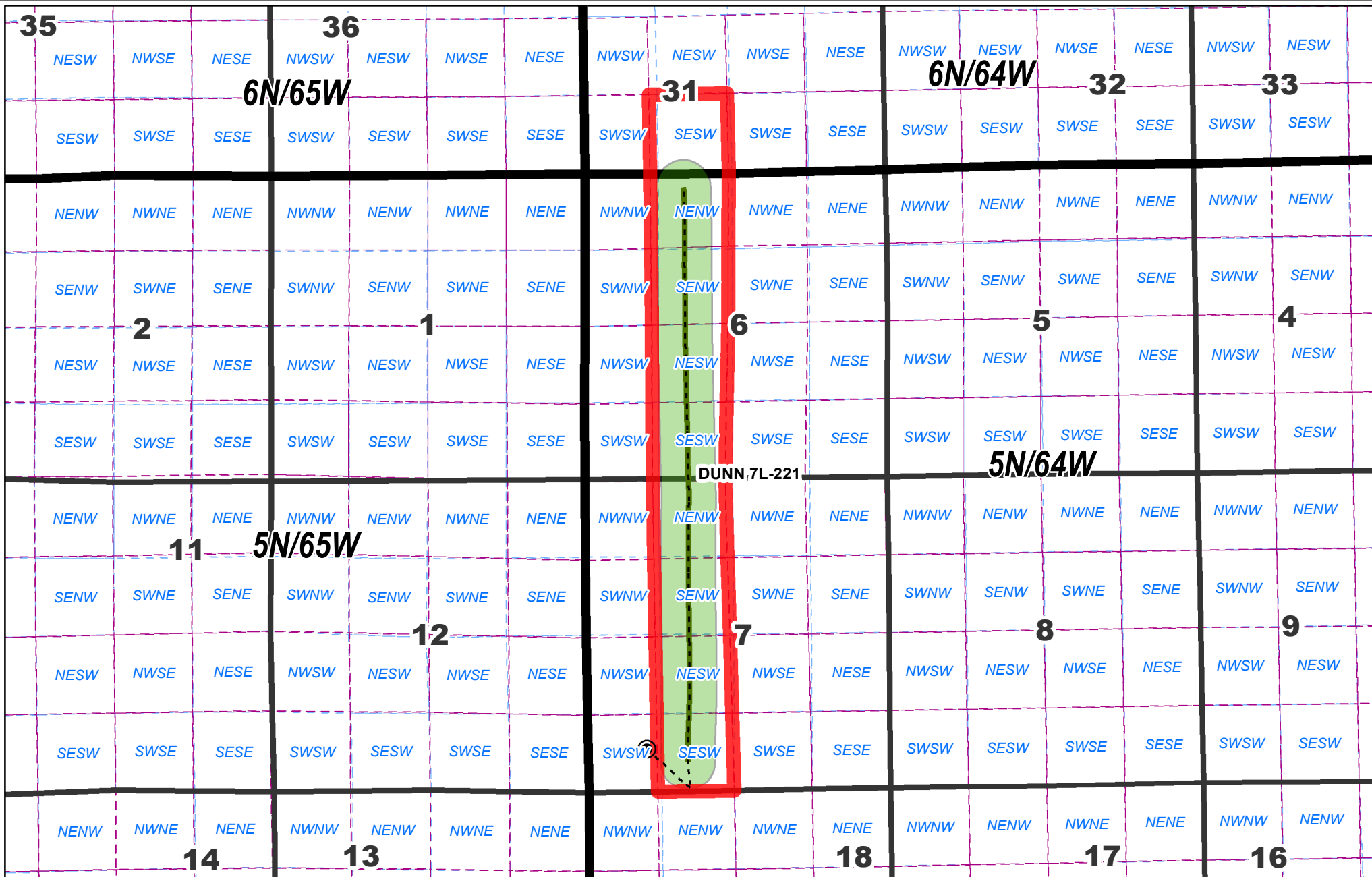
PDC Energy, Inc. ("PDC") hereby certifies to the Director that a thirty (30-day) notice has been given by certified mail to all owners in the proposed wellbore spacing unit consisting of T5N-R64W Section 6: E2W2, Section 7: E2W2; T6N-R64W Section 31: SESW, 360 acres. We have not received any objections to such well location or proposed spacing unit, therefore, PDC hereby requests the Director to approve the well.

If you should have any questions or concerns regarding this permit, please contact the undersigned at (303) 831-3931.

Sincerely,

A handwritten signature in black ink, appearing to read "Ally Ota".

Ally Ota
Regulatory Technician
PDC Energy, Inc.



DJ GIS-Derived Spacing Units
DUNN 7L-221

Date: 7/24/2018

Legend

- Surface hole location
- Top perf
- Casing bottom
- - - Wellbore
- Completed wellbore
- 460ft wellbore buffer
- Spacing Unit (derived from completed wellbore)
- - - Qtr Qtr (Weld Cty)
- - - Qtr Qtr (surveyed)
- ▬ Sections
- ▬ Townships

Disclaimer:
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