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

IN THE MATTER OF THE PROMULGATION AND ESTABLISHMENT OF FIELD RULES TO GOVERN OPERATIONS FOR THE NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO TYPE: POOLING

APPLICATION

PDC Energy, Inc. (Operator No. 69175) ("PDC" or "Applicant"), submits this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests in two approximate 800-acre horizontal wellbore spacing units designated for portions of Sections 3, 4, 5, and 6, Township 4 North, Range 64 West, 6th P.M., established for the Harold 6X-202 well (API No. 05-123-45747) and the Harold 6X-302 well (API No. 05-123-45749) for development of and production from the Niobrara Formation.

If you have any questions regarding this application, you may contact Katherine ("Kibby") Wilson, Landman for PDC at (303) 860-5800.

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 is a registered operator in good standing with the Commission.

2. Applicant owns leasehold interests in the below-listed lands and corresponding wellbore spacing units:

Township 4 North, Range 64 West, 6th P.M.

Section 3: W¹/₂SW¹/₄ Section 4: S¹/₂ Section 5: S¹/₂ Section 6: E¹/₂SE¹/₄

Wellbore Spacing Unit ("WSU") Nos. 1 and 2

Harold 6X-202 well (Niobrara Formation) Harold 6X-302 well (Niobrara Formation)

These lands are collectively referred to as the "Application Lands" and these wells are collectively referred to as the "Subject Wells."

3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. Applicant designated each of the above described wellbore spacing units for the Subject Wells and notified the appropriate parties pursuant to Rule 318A.

4. On February 19, 1992, the Commission entered Order No. 407-87 (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 Niobrara Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

5. At this time, Applicant has been unable to effect the voluntary pooling of all interest within the Application Lands for the wellbore spacing units. Accordingly, Applicant seeks an order pooling all interests in the wellbore spacing units comprising the Application Lands pursuant to § 34-60-116(6), C.R.S.¹ for the development and operation of the Niobrara Formation.

6. Applicant confirms that it is not currently requesting that the Commission apply the statutory cost recovery provisions against any interested party and therefore, Commission Rule 530 and the cost recovery provisions of § 34-60-116(7), C.R.S. are inapplicable to the requested relief in this Application. Applicant reserves the right to seek an order to apply such provisions to any nonconsenting interest in the future through amendment of this Application or subsequent application.

7. Applicant states that all interests in the Application Lands should be pooled for the orderly development of the Niobrara Formation, will prevent waste, and will protect the interested parties' correlative rights.

8. Copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 503.e.

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

A. Pooling all interests in the wellbore spacing units comprising the Application Lands for the development and operation of the Niobrara Formation pursuant to § 34-60-116(6), C.R.S.

B. For any other findings and orders the Commission may deem proper or advisable in this matter.

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¹ In the absence of voluntary pooling, the commission, upon the application of any interested person, may enter an order pooling all interests in the drilling unit for the development and operation thereof. C.R.S. § 34-60-116(6).

Dated October 18, 2018.

Respectfully submitted:

PDC ENERGY, INC. By: Greg Nibert, Jr.

David Neslin Davis Graham & Stubbs LLP 1550 Seventeenth Street, Suite 500 Denver, Colorado 80202 (303) 892-9400

Applicant's Address: PDC Energy, Inc. ATTN: Katherine Wilson 1775 Sherman Street, Suite 3000 Denver, CO 80203

VERIFICATION

) SS.

STATE OF COLORADO

CITY AND COUNTY OF DENVER

Katherine Wilson, of lawful age, being first duly sworn upon oath, deposes and says that she is a Regional Landman for PDC Energy, Inc., that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

Katherine Wilson, Regional Landman PDC Energy, Inc.

Subscribed and sworn to before me this $\int \mathcal{C} day$ of <u>Oct</u>, 2018.

Witness my hand and official seal.

Notary Public

