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

IN THE MATTER OF THE PROMULGATION AND<br/>ESTABLISHMENT OF FIELD RULES TO GOVERN<br/>OPERATIONS FOR THE NIOBRARA FORMATION,<br/>WATTENBERG<br/>COLORADOCAUSE NO. 407<br/>DOCKET NO.UNDERATIONS FOR THE NIOBRARA FORMATION,<br/>WELD<br/>COUNTY,<br/>COLORADODOCKET NO.

#### 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 one approximate 800.4872-acre horizontal wellbore spacing units designated for portions of Sections 3, 4, 5, 6, 7, 8, 9, and 10, Township 4 North, Range 64 West, 6<sup>th</sup> P.M., established for the Harold 6Y-202 well (API No. 05-123-45757) 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:
 SW1/4SW1/4

 Section 4:
 S1/2S1/2

 Section 5:
 S1/2S1/2

 Section 6:
 SE1/4SE1/4

 Section 7:
 NE1/4NE1/4

 Section 8:
 N1/2N1/2

 Section 9:
 N1/2N1/2

 Section 10:
 NW1/4NW1/4

Wellbore Spacing Unit Harold 6Y-202 well (Niobrara Formation)

These lands are collectively referred to as the "Application Lands" and the well is collectively referred to as the "Subject Well."

3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. Applicant designated the above described wellbore spacing unit for the Subject Well 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. Acting pursuant to Commission Rule 530 and/or the provisions of § 34-60-116 (6) and (7), C.R.S., Applicant seeks an order pooling all interests within the wellbore spacing unit comprising the Application Lands for the development and operation of the Niobrara Formation.

6. Applicant requests that any non-consenting interests with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Well be made subject to the statutory cost recovery provisions of § 34-60-116(6) & (7), C.R.S.

7. At least thirty-five (35) days prior to the hearing on this matter, Applicant will offer each working interest owner not already voluntarily pooled the opportunity to participate in the drilling of the Subject Well and provided with the information required by Rule 530 and § 34-60-116(7). To Applicant's knowledge and belief there are no unleased mineral interest owners in the Application Lands.

8. Applicant states that all interests in the Application Lands, including any non-consenting interests therein, should be pooled for the orderly development of the Niobrara Formation, will prevent waste, and will protect the interested parties' correlative rights.

9. Applicant requests that the pooling order be made effective as of the date of the Application, or, as applicable, the date that the costs specified in § 34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Subject Well, whichever is earlier.

10. 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 unit comprising the Application Lands for the development and operation of the Niobrara Formation, with such order effective as of the date of the Application, or the date that the costs specified in § 34-60-

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116(7)(b), C.R.S. are first incurred for the drilling of the Subject Well, whichever is earlier.

B. Providing that the non-consenting interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Well are pooled by operation of statute, pursuant to § 34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof.

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

Dated October 18, 2018.

Respectfully submitted:

PD& ENERGY, INC. Bv: Greg Nibert

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

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# 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  $\int \mathcal{S}^{+} day$  of  $\mathcal{O} \subset \mathcal{F}$ , 2018.

Witness my hand and official seal.

**Notary Public** 

NICOLE D HEALY NOTARY PUR STATE OF COLORADO NOTARY ID 20104037299 MY COMMISSION EXPIRES SEPTEMBER 24, 2022