

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" or "Applicant"), 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 pool all interests for the development of the Niobrara formation on the following described lands:

Township 4 North, Range 65 West, 6<sup>th</sup> P.M.  
Section 28: All  
Section 29: All  
Section 32: All  
Section 33: All

Weld County, Colorado, containing approximately 2,560 acres, +/-

Referred herein as the "Application Lands." A reference map depicting the Application Lands is attached hereto and marked as Exhibit B.

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. The Application Lands 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 the Application Lands, with the permitted well locations in accordance with the provisions of Order 407-1.

5. On May 3, 2016, the Commission entered Order No. 407-1686, which, among other things, pooled an approximate 320 acre horizontal wellbore spacing unit for the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 20, and the N $\frac{1}{2}$ N $\frac{1}{2}$  of Section 29, all of Township 4 North, Range 65 West, 6<sup>th</sup> P.M., for the development of the Peschel 20I-312 (API No. 05-123-40729) Well from the Niobrara formation. Order No. 407-1686 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Permitted Wells, as defined under Paragraph 10.

6. On February 20, 2018, the Commission entered Order No. 407-2325, which, among other things, pooled an approximate 720-acre wellbore spacing unit for the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 25, the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 26, the S $\frac{1}{2}$ S $\frac{1}{2}$  of Section 27, the N $\frac{1}{2}$ N $\frac{1}{2}$  of Section 34, the N $\frac{1}{2}$ N $\frac{1}{2}$  of Section 35, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 36, all of Township 4 North, Range 65 West, 6<sup>th</sup> P.M., for the accommodation of the Centennial State G34-684 Well (API No. 05-123-44601) Well and the Centennial State G34-689 (API No. 44607) Well, from the Niobrara formation. Order No. 407-2325 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Permitted Wells, as defined under Paragraph 10.

7. On February 28, 2018, the Commission entered Order No. 407-2364, which, among other things, established an approximate 2,560-acre drilling and spacing unit for the Application Lands for the Niobrara and Codell formations.

8. PDC excludes from this Application all existing vertical and directional wells located on the Application Lands, to the extent they are still producing, and asserts that the production and payments from the existing vertical and directional wells should be maintained under the authority of all applicable Commission rules and orders.

9. PDC also excludes from this Application the Musick Gas Unit (API No. 05-123-12642) and the Mel Smookler Gas Unit (API No. 05-123-08267) ("Gas Units"). The Gas Units do not include Colorado State Land Board lands or Federal lands, and as such, PDC asserts that the production and payments from the existing Gas Units should be maintained under the authority of all applicable Commission rules and orders.

10. The COGCC approved Forms 2 - Permits to Drill/Forms 2A for the following wells ("Permitted Well/s"), which will be drilled in and paid on the approximate 2,560-acre drilling and spacing unit comprised of the Application Lands:

- A. Crawford 1N (API No. 05-123-47323)
- B. Crawford 2N (API No. 05-123-46890)
- C. Crawford 3N (API No. 05-123-47322)
- D. Crawford 4N (API No. 05-123-47324)
- E. Harvey 2N (API No. 05-123-48521)
- F. Harvey 3N (API No. 05-123-48523)
- G. Harvey 4N (API No. 05-123-48520)
- H. Harvey 5N (API No. 05-123-47437)
- I. Harvey 6N (API No. 05-123-47435)
- J. Harvey 7N (API No. 05-123-47432)

K. Harvey 8N (API No. 05-123-47428)  
L. Harvey 9N (API No. 05-123-47429)  
M. Harvey 10N (API No. 05-123-47436)  
N. Harvey 11N (API No. 05-123-47430)  
O. Harvey 12N (API No. 05-123-47434)  
P. Harvey 13N (API No. 05-123-47431)  
Q. Harvey 14N (API No. 05-123-47433)  
R. Harvey 15N (API No. 05-123-47427)  
S. Harvey 16N (API No. 05-123-47426)  
T. Lory 1N (API No. 05-123-46886)  
U. Lory 2N (API No. 05-123-46890)  
V. Lory 3N (API No. 05-123-46897)  
W. Lory 4N (API No. 05-123-46879)  
X. Lory 5N (API No. 05-123-46884)  
Y. Lory 6N (API No. 05-123-46877)  
Z. Lory 7N (API No. 05-123-46876)  
AA. Lory 8N (API No. 05-123-46854)  
BB. Lory 9N (API No. 05-123-46838)  
CC. Lory 10N (API No. 05-123-46855)  
DD. Lory 11N (API No. 05-123-46851)

11. PDC, pursuant to the provisions of C.R.S. § 34-60-116(6-7) and Rule 530, seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, and the ability to drill through all tracts in the Application Lands for the development of the Niobrara formation.

12. PDC requests that the Commission's pooling order 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 each respective Permitted Well to the Niobrara formation on the Application Lands.

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.a.(1) and Rule 507.b.(2), underlying the Application Lands to be pooled, and covering each of the Permitted Wells, and that at least sixty (60) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Permitted Wells, and will be provided with the information required by Rule 530. The list of such interested parties is attached as Exhibit A.

14. In order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Niobrara formation.

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

16. 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.

17. The names of the interested parties, according to PDC's information and belief, are set forth in the attached Exhibit A, and the undersigned certifies that copies of this Application will be served on each interested party at least thirty-five (35) days in advance of the January 28-29, 2019 COGCC hearings, pursuant to Rule 507.

WHEREFORE, PDC respectfully requests that this matter be received and set for the January 28-29, 2019 COGCC hearings, that notice be given as required by law pursuant to the January 28-29, 2019 COGCC hearings, and that the Commission enter an Order:

- A. Pooling all interests in the Application Lands for the development of the Niobrara formation;
- B. Providing that the Commission's pooling order is made effective as of the earlier date of the 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 each respective Permitted Well to the Niobrara formation on the Application Lands;
- C. Providing that the interests of any owners with whom PDC has been unable to secure a lease or other agreement to participate in the drilling of the authorized well(s) are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Niobrara formation in the drilling unit comprised of the Application Lands; and
- D. Providing for such other findings and order as the Commission may deem proper or advisable in this matter.

[SIGNATURE PAGE FOLLOWS]

DATED this 28<sup>th</sup> day of November, 2018.

Respectfully submitted,

PDC ENERGY, INC.

By: 

Michael T. Jewell, Esq. #40902

Burns, Figa & Will, P.C.  
6400 S. Fiddler's Green Circle – Suite 1000  
Greenwood Village, CO 80111

PDC Energy, Inc.  
Mr. Daniel R. McCoy  
1775 Sherman Street - Suite 3000  
Denver, CO 80203

## VERIFICATION

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

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

1. He is a Regional Landman for PDC Energy, Inc., whose address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.
2. He has read the within application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

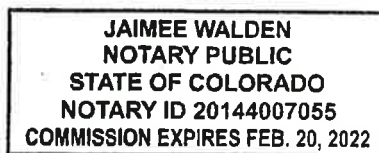
Further Affiant sayeth not.

  
Daniel R. McCoy

Subscribed and sworn to before me this 28<sup>th</sup> day of November, 2018.

Witness my hand and official seal.

My commission expires: Feb. 20, 2022



Jair Walden

Exhibit A

Interested Party List  
Pooling Application

Township 4 North, Range 65 West, 6<sup>th</sup> P.M.

Section 28: All

Section 29: All

Section 32: All

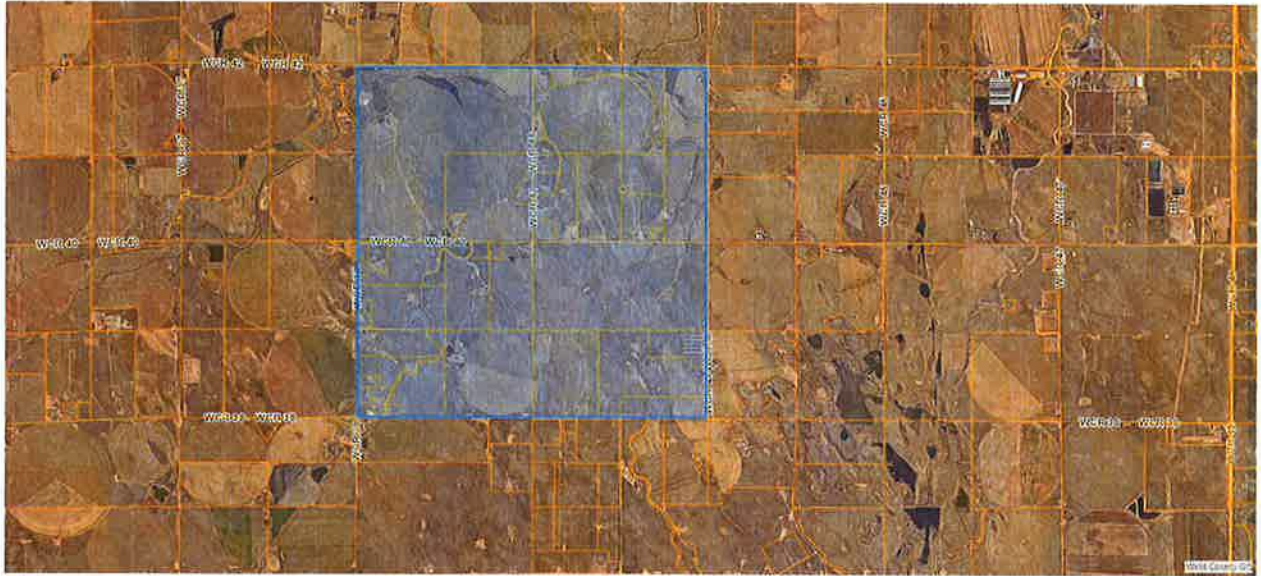
Section 33: All

|   |
|---|
| PDC Energy, Inc.  |
| Noble Energy, Inc.*   |
| Noble Energy WyCo, LLC*   |
| Crestone Peak Resources Holdings, LLC*  |
| Incline Niobrara Partners, LP   |
| Colorado Energy Minerals, Inc.*   |
| Taku Resources, LLC*  |
| Russell Roundtree*  |
| Barry L. Snyder*  |
| Journey's End, Inc.*  |
| Avondove Limited*   |
| Canadian State Bank*  |
| Billiken Resources LLC*   |
| Christina L. Snyder*  |
| Meagher Energy Company, LLC   |
| The Estate of Walter F. McGinnis*   |
| Anadarko E&P Onshore LLC  |
| Beryldehl M. Parker   |
| Bohlender Angus Ranch, LLC  |
| Bothel Oil and Gas, Inc.  |
| Central Weld County Water District  |
| Eleanor R. Clough, Trustee of the Eleanor Ruth Clough Trust Agreement dated February 27, 1989 |
| Eleanor Ruth Clough   |
| Elizabeth Joyce Newlon  |
| Flanagan Investments 2, LLC   |
| Imogene Teppert   |
| Jessica L. Donaldson  |
| Joyce M. Newlon, as Trustee of The Joyce M. Newlon Trust, established June 24, 1993           |
| Kerr-McGee Oil & Gas Onshore LP   |
| Kris Challis  |
| Linda Teppert   |
| Margaret Ann Bothel   |

|  |
|--|
| McClintock & Nikoloric LLC   |
| Michael L. Zeigler & Debra A. Zeigler, JT  |
| Mile Hi Investments, LLC   |
| Modesta Montoya Trust UA 04-16-2008  |
| Platte Valley Irrigation Company   |
| Raymond Edward Mantle & Margaret A. Mantle, JT   |
| Robert Teppert   |
| Roth Colorado Investments, LLC   |
| Sharon Krause-Heinle   |
| Sharon Teppert   |
| Slash V LLC  |
| The Farmers Reservoir and Irrigation Company   |
| The James L. Oster Revocable Living Trust dated October 11, 1989                               |
| The Juliann Jacobson Trust, c/u the Delbert and Helene Premier Trust dated August 3, 2006      |
| The Lelia E. Oster Revocable Living Trust dated October 11, 1989                               |
| The Marjorie Ray Campbell Trust, c/u the Delbert and Helene Premier Trust dated August 3, 2006 |
| Virginia L. Johnson  |
| William A. Oster   |

## Exhibit B

### Reference Map of the Application Lands



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

IN THE MATTER OF THE ) CAUSE NO.  
PROMULGATION AND ESTABLISHMENT )  
OF FIELD RULES TO GOVERN ) DOCKET NO. 190100158  
OPERATIONS FOR THE NIOBRARA )  
FORMATION, WATTENBERG FIELD, ) TYPE: POOLING  
WELD COUNTY, COLORADO )

CERTIFICATE OF SERVICE

Michael T. Jewell, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for PDC Energy, Inc., and that on December 4, 2018, he caused a copy of the Application submitted to COGCC on November 28, 2018, to be deposited in the United States Mail, postage prepaid, addressed to the interested parties with known addresses listed on Exhibit A to the Application.

DATED this 5<sup>th</sup> day of December, 2018.

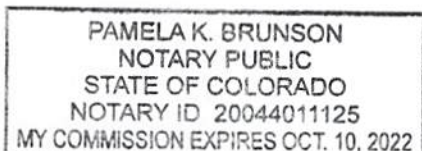
By: 

Michael T. Jewell, Esq.  
License #40902  
Burns, Figa & Will, P.C.  
6400 S. Fiddler's Green Circle – Suite 1000  
Greenwood Village, CO 80111

STATE OF COLORADO )  
COUNTY OF ARAPAHOE ) SS.

Subscribed and sworn to before me this 5<sup>th</sup> day of December, 2018

My commission expires: October 10, 2022



  
Notary Public – Pamela K. Brunson