

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

IN THE MATTER OF THE PROMULGATION )	CAUSE NO.	407
AND ESTABLISHMENT OF FIELD RULES )		
TO GOVERN OPERATIONS FOR THE )	DOCKET NO.	
NIOBRARA AND CODELL FORMATIONS, )		
WATTENBERG FIELD, WELD COUNTY, )	TYPE:	SPACING
COLORADO )		

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: Vacate Order No. 407-2210, establish an approximate 1,920-acre drilling and spacing unit for the Application Lands for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations, and approve up to twenty-eight (28) horizontal wells drilled from a maximum of four (4) well pads for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations on the following described lands:

Township 7 North, Range 65 West, 6<sup>th</sup> P.M.

Section 27: All

Section 28: All

Section 29: All

Weld County, Colorado (containing a total of approximately 1,920 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, 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. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended,

among other things, 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, among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.

4. On December 16, 2013, the Commission entered Order No. 407-2210, which, among other things, established an approximate 640-acre drilling and spacing unit consisting of the W½ of Section 29, and the W½ of Section 32, all of Township 7 North, Range 65 West, 6<sup>th</sup> P.M., for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara formations and for the drilling of up to eight (8) horizontal wells. PDC respectfully requests that the Commission vacate Order No. 407-2210 for the orderly development of the drilling and spacing unit comprised of the Application Lands. In conjunction with this vacatur, PDC shall also abandon any existing permits that fall under Order No. 407-2210 through Form 4/Sundry Notices (API Nos. 05-123-45865, 45866, 45867, 45868, 45869, 45870, 45871, 45876). However, PDC respectfully requests that the Form 2A associated with the lands of Order No. 407-2210 be preserved for the use and development for the drilling and spacing unit under this Application (Reeman 5-A Pad, Location No. 453015).

5. 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.

6. The proposed approximate 1,920-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells.

7. PDC requests that the Commission approve the development of up to twenty-eight (28) horizontal wells in the proposed approximate 1,920-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara formations. The proposed wells will be drilled from surface locations described in Rule 318A or on other lands with consent of the landowner, unless an exception is granted by the Director. The wells will be stacked by formation to comply with the minimum distances from the outer boundaries of the proposed drilling and spacing unit and from any other well producing from the Codell and Niobrara Formations.

8. Applicant states that, for any permitted wells to be drilled under this Application, the productive intervals of the wellbores shall be no less than 150 feet from the east and west unit boundaries, and no less than 460 feet from the north and south unit boundaries. Applicant further states that the interwell setbacks shall be no less than 150 feet from the productive interval of any other well producing from the Niobrara and Codell formations, unless an exception is granted by the Director.

9. The proposed wells shall be drilled from a maximum of four (4) well pads located within the approximate 1,920-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

10. 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.

11. 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.

12. 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 any Commission hearing at which the matter will first be heard, pursuant to Rule 507.

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 to:

- A. Vacate Order No. 407-2210;
- B. Establish an approximate 1,920-acre drilling and spacing unit for the Application Lands and approve up to twenty-eight (28) horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations;
- C. Require the productive interval of the wellbore of any permitted wells in the unit to be located no closer than 150 feet from the east and west unit boundaries, and no closer than 460 feet from the north and south unit boundaries, permitted wells shall be drilled in an east/west or west/east orientation;
- D. Require that the productive interval of the wellbore of any permitted wells in the unit be located no closer than 150 feet from the productive interval of any other wellbore located in the unit; and
- E. Provide that the wells shall be drilled from a maximum of four (4) well pads within the unit subject to Rule 318A or on adjacent lands, unless an exception is granted by the Director.

[SIGNATURE PAGE FOLLOWS]

DATED this 9<sup>th</sup> day of January, 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.  
Ms. Katherine Wilson  
1775 Sherman Street - Suite 3000  
Denver, CO 80203

## VERIFICATION

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

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 within application, 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

Subscribed and sworn to before me this 9<sup>th</sup> day of January, 2019.

Witness my hand and official seal.

My commission expires: 9.24.22



Nicola Chealy

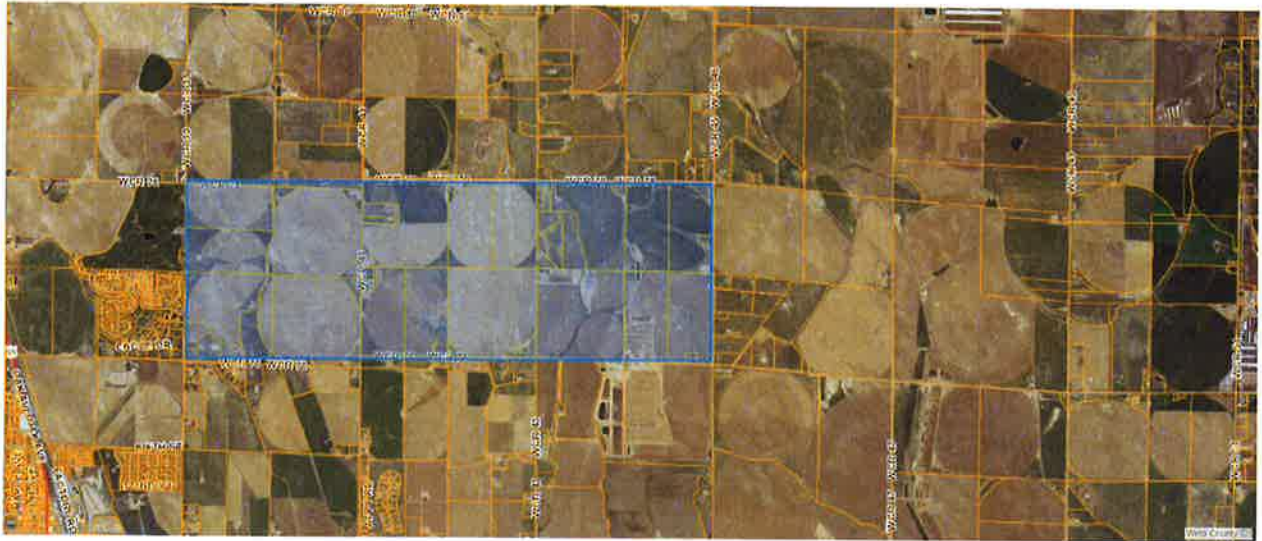
Exhibit A

Interested Party List  
Spacing Application

PDC Energy, Inc.
Colorado Parks and Wildlife
Weld County Department of Planning Services
Colorado Department of Public Health & Environment
Anadarko Land Corp.
Anadarko E&P Company LP
Flinthills Oil Company LLC
Lincoln Energy, LLC
NBL Weld 2 Properties LLC
Nickel Road Development, LLC
Noble Energy, Inc.
Swan Exploration LLC
Vida Nova Investments, LLC

## Exhibit B

### Reference Map of Application Lands





IN THE MATTER OF THE PROMULGATION AND )	CAUSE NO.	407
ESTABLISHMENT OF FIELD RULES TO )		
GOVERN OPERATIONS FOR THE NIOBRARA )	DOCKET NO.	190300192
AND CODELL FORMATIONS, WATTENBERG )		
FIELD, WELD COUNTY, COLORADO )	TYPE:	SPACING

Pi Pi



Exhibit A

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Spacing Application

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Anadarko E&P Company LP
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Lincoln Energy, LLC
NBL Weld 2 Properties LLC
Nickel Road Development, LLC
Noble Energy, Inc.
Swan Exploration LLC
Vida Nova Investments, LLC