

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.	190300236
NIOBRARA AND CODELL FORMATIONS,)		
WATTENBERG AND EATON FIELDS, WELD)	TYPE:	SPACING
COUNTY, COLORADO)		

AMENDED 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: establish an approximate 880-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 fourteen (14) 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 6 North, Range 65 West, 6th P.M.

Section 12: S $\frac{1}{2}$

Section 13: N $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Weld County, Colorado (containing a total of approximately 880 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 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 portions of the Application Lands, with the permitted well locations in accordance with the provisions of Order 407-1.

5. On March 16, 2015, the Commission entered Order No. 407-387, which, among other things, pooled an approximate 160-acre wellbore spacing unit for the Dinner #13-35 Well (API #05-123-**27122**), consisting of the SW¼ of Section 13, Township 6 North, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara formations. PDC excludes from this Application the Dinner #13-35 Well and asserts that the production and payments from the Dinner #13-35 Well should be maintained under the authority of Order No. 407-387 and other applicable Commission orders and rules.

6. On March 16, 2015, the Commission entered Order No. 407-1408, which, among other things, pooled an approximate 167.02-acre designated horizontal wellbore spacing unit for the Holton K-12HN Well (API No. 05-123-39506), consisting of the W½E½ of Section 12, Township 6 North, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara formation. PDC excludes from this Application the Holton K-12HN Well and asserts that the production and payments from the Holton K-12HN Well should be maintained under the authority of Order No. 407-1408 and other applicable Commission orders and rules.

7. On March 16, 2015, the Commission entered Order No. 407-1409, which, among other things, pooled an approximate 317.93-acre wellbore spacing unit for the Holton L-12HN Well (API No. 05-123-39510), consisting of the E½ of Section 12, Township 6 North, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara formation. PDC excludes from this Application the Holton L-12HN Well and asserts that the production and payments from the Holton L-12HN Well should be maintained under the authority of Order No. 407-1409 and other applicable Commission orders and rules.

8. On March 18, 2015, the Commission entered Order No. 407-1421, which, among other things, pooled two approximate 329.93-acre wellbore spacing unit for the Holton I-12HN well (API No. 05-123-39509) and the Holton J-12HC well (API No. 05-123-39507) ("Holton Wells"), consisting of the E½W½ and the W½E½ of Section 12, Township 6 North, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara formations. PDC excludes from this Application the Holton Wells and asserts that the production and payments from the Holton Wells should be maintained under the authority of Order No. 407-1421 and other applicable Commission orders and rules.

9. PDC recognizes a wellbore spacing unit comprised of the E½E½ of Section 12 and the E½E½ of Section 13, all of Township 6 North, Range 65 West, 6th P.M. This wellbore spacing unit does not have a current pooling order associated with its respective lands. However, PDC currently holds permits in this wellbore spacing units for the "Braskaland Wells" (API Nos. 05-123-44508, 44509, 44510, 44511, 44512, 44513, 44514, 44515, 44516, and 44517), which are all set to expire on March 24, 2019. Should PDC file for permits for the unit comprised of the Application Lands before March 24, 2019, then PDC will abandon the Braskaland Wells through Form 4/Sundry submissions. PDC requests that the Form 2A Location ID 327105 be preserved for other development.

10. 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.

11. The proposed approximate 880-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells.

12. PDC requests that the Commission approve the development of up to fourteen (14) horizontal wells in the proposed approximate 880-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.

13. 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 north and south unit boundaries, and no less than 460 feet from the east and west 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.

14. The proposed wells shall be drilled from a maximum of four (4) well pads located within the approximate 880-acre drilling and spacing unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

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 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:

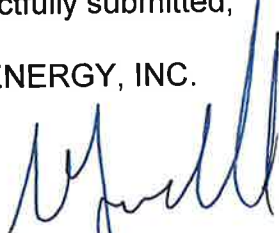
- A. Establish an approximate 880-acre drilling and spacing unit for the Application Lands and approve up to fourteen (14) horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell formations;
- B. Require the productive interval of the wellbore of any permitted wells in the unit to be located no closer than 150 feet from the north and south unit boundaries, and no closer than 460 feet from the east and west unit boundaries, with permitted wells being drilled in an north/south or south/north orientation;
- C. 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
- D. 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 ON NEXT PAGE]

DATED this 31st day of January, 2019.

Respectfully submitted,

PDC ENERGY, INC.

A handwritten signature in blue ink, appearing to read 'M. Jewell', is written over a horizontal line.

Michael T. Jewell, Esq. #40902
Burns, Figa & Will, P.C.
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Greenwood Village, CO 80111
mjewell@bfwlaw.com

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.

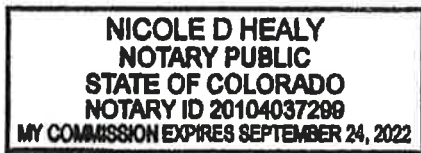
Further Affiant sayeth not.


Katherine Wilson

Subscribed and sworn to before me this 10th day of January, 2019.

Witness my hand and official seal.

My commission expires: 9.24.22



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Exhibit A

Interested Party List
Spacing Application

PDC Energy, Inc.	Weld County Department of Planning Services
Colorado Parks and Wildlife	Colorado Department of Public Health & Environment
Noble Energy Wyco Inc.	Extraction Oil and Gas, Inc.
Bayswater Exploration and Production	Eatmon Well Service Company
Bayswater Blenheim Holdings II	SRC Energy Inc
Incline Niobrara Partners, LP	Colton Exploration Company
Noble Energy Inc.	Barry K. Ohlemeier

1982 Randal W. Colton Revocable Trust Agreement, Randal W. Colton, Trustee
Evelyn L. Whiting, as Trustee of the Evelyn L. Whiting Living Trust dated 10/17/2006
EXOK, Inc.
Francis Energy, Inc.
Frederick C. Ohlemeier
Gail Simmons
H&C Colton Company
Jesse Albert Snelson
Kathryn O. Bomholt
Laurel Elizabeth Spencer and William Frank Spencer, joint tenants

Lawrence W. Snelson, III
Lee Ann Koehler
Lynn C. Ohlemeier
Margaret Anne Miller
Marion Pollard Chandler
Mark E. Reed
Mary Jo Reed, Trustee of the Family Trust created under Homer E. Reed and Mary Jo Reed Living Trust Agreement dated 3/6/2008
Pamela J. Topping
Patricia E. Wyloge Jacobson
The Deborah D. Wilson Survivor's Trust est. 6/26/2018

Exhibit B

Reference Map of Application Lands



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h. i. o. i.

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1982 Randal W. Colton Revocable Trust Agreement, Randal W. Colton, Trustee	Lawrence W. Snelson, III
Evelyn L. Whiting, as Trustee of the Evelyn L. Whiting Living Trust dated 10/17/2006	Lee Ann Koehler
EXOK, Inc.	Lynn C. Ohlemeier
Francis Energy, Inc.	Margaret Anne Miller
Frederick C. Ohlemeier	Marion Pollard Chandler
Gail Simmons	Mark E. Reed
H&C Colton Company	Mary Jo Reed, Trustee of the Family Trust created under Homer E. Reed and Mary Jo Reed Living Trust Agreement dated 3/6/2008
Jesse Albert Snelson	Pamela J. Topping
Kathryn O. Bomholt	Patricia E. Wyloge Jacobson
Laurel Elizabeth Spencer and William Frank Spencer, joint tenants	The Deborah D. Wilson Survivor's Trust est. 6/26/2018