

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

IN THE MATTER OF THE APPLICATION OF)	CAUSE NO.	407
THE PROMULGATION AND)		
ESTABLISHMENT OF FIELD RULES TO)	DOCKET NO.	170700461
GOVERN OPERATIONS FOR THE)		
NIOBRARA FORMATION, WATTENBERG)	TYPE:	POOLING
FIELD, WELD COUNTY, COLORADO)		

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 5 North, Range 64 West, 6th P.M.
Section 19: SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$

Township 5 North, Range 65 West, 6th P.M.
Section 24: SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

APPLICATION

On May 25, 2017, PDC Energy, Inc. (Operator No. 69175) ("PDC" or "Applicant"), filed a verified application pursuant to § 34-60-116, C.R.S. for an order to:

- 1) Pool all interests in an approximate 440-acre designated horizontal wellbore spacing unit, for the development and operation of the Niobrara formation; and
- 2) Subject any non-consenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in § 34-60-116(7)(b), C.R.S. were first incurred for the drilling of the Josephine 19O-314 Well (API No. 05-123-44680) ("Well").

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "Regulation,"
then select on "Orders" or "Rules")

- Rule 318A, as amended on August 8, 2011 addresses the drilling of horizontal wells under Rule 318A.a.(4)D. Rule 318A was originally established on April 27, 1998 to allow for certain drilling locations to drill or twin an existing well, deepen a well, or recomplete a well. Rule 318A also provided for the commingling of any or all of the Cretaceous Age formations from the Dakota formation to the surface. Rule 318A was first amended on December 5, 2005 to allow for interior infill and boundary wells and spacing units.
- 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.

- On March 14, 2016, the Commission entered Order No. 407-1650, which, among other things, pooled all non-consenting interests in an 800-acre drilling and spacing unit for the E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 19, S $\frac{1}{2}$ of Section 20, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 21, Township 5 North, Range 64 West, 6th P.M. for the Klein 19P-312 Well (API No. 05-123-40155), from the Niobrara formation. Order 407-1650 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On March 14, 2016, the Commission entered Order No. 407-1651, which, among other things, pooled all non-consenting interests in an 800-acre drilling and spacing unit for the E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ of Section 19, S $\frac{1}{2}$ of Section 20, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 21, Township 5 North, Range 64 West, 6th P.M. for the Klein 19P-202 Well (API No. 05-123-40149), from the Niobrara formation. Order 407-1651 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On March 14, 2016, the Commission entered Order No. 407-1652, which, among other things, pooled all non-consenting interests in a 720-acre drilling and spacing unit for the S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 19, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 5 North, Range 64 West, 6th P.M. for the Klein 19O-302 Well (API No. 05-123-40151), from the Niobrara formation. Order 407-1652 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On March 15, 2016, the Commission entered Order No. 407-1661, which, among other things, pooled all non-consenting interests in a 560-acre drilling and spacing unit for the NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 19, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 5 North, Range 64 West, 6th P.M. for the Klein 19O-232 Well (API No. 05-123-40147), from the Niobrara formation. Order No. 407-1756 was entered as of July 19, 2016 to apply the cost recovery provisions to additional parties within the same unit for the Klein 19O-302 well. Order Nos. 407-1661 and 407-1756 are not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On March 15, 2016, the Commission entered Order No. 407-1662, which, among other things, pooled all non-consenting interests in a 720-acre drilling and spacing unit for the S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 19, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 5 North, Range 64 West, 6th P.M. for the Klein 19O-212 Well (API No. 05-123-40148), from the Niobrara formation. Order 407-1662 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- As of March 7, 2016, the Commission entered Order No. 407-1671, which, among other things, pooled all non-consenting interests in a 720-acre drilling and spacing unit for the NE $\frac{1}{4}$ of Section 19, N $\frac{1}{2}$ of Section 20, NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 21, Township 5 North, Range 64 West, 6th P.M. for the Klein 19N-302 Well (API No. 05-123-40145), from the Niobrara formation. Order No. 407-1753 was entered as of July 19, 2016 to apply the cost recovery provisions to additional parties within the same unit for the Klein 19N-302

well. Order Nos. 407-1671 and 407-1753 are not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

- As of March 7, 2016, the Commission entered Order No. 407-1672, which, among other things, pooled all non-consenting interests in a 720-acre drilling and spacing unit for the NE¼ of Section 19, N½ of Section 20, NW¼, W½NE¼ of Section 21, Township 5 North, Range 64 West, 6th P.M. for the Klein 19N-202 Well (API No. 05-123-40249), from the Niobrara formation. Order No. 407-1752 was entered as of July 19, 2016 to apply the cost recovery provisions to additional parties within the same unit for the Klein 19N-202 well. Order Nos. 407-1672 and 407-1752 are not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S. and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Dates: July 24–25, 2017

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, CO 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509, no later than July 10, 2017.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings_unit@state.co.us), one original and two copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of July 10, 2017.** Pursuant to Rule 511, if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By


Peter Gower, Acting Secretary

Dated: June 13, 2017

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street - Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

Attorneys for PDC:
Michael T. Jewell
Courtney M. Shephard
Burns, Figa & Will, P.C.
6400 S. Fiddlers Green Cir. - Suite 1000
Greenwood Village, Colorado 80111
Phone: (303) 796-2626
mjewell@bfiwlaw.com
cshephard@bfiwlaw.com