

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. 170700509
GOVERN OPERATIONS FOR THE CODELL)
AND NIOBRARA FORMATIONS,) TYPE: POOLING
WATTENBERG 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 7: W $\frac{1}{2}$ W $\frac{1}{2}$
Section 18: W $\frac{1}{2}$ W $\frac{1}{2}$
Section 19: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Township 5 North, Range 65 West, 6th P.M.

Section 12: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 13: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 24: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Wellbore Spacing Unit (WSU") No. 1
Sandin 24V-341 Well – Niobrara

WSU No. 2
Sandin 24V-401 Well - Codell

APPLICATION

On May 25, 2017, amended June 15, 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 two approximate 720-acre designated horizontal wellbore spacing units, for the development and operation of the Codell and Niobrara Formations; 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 Sandin 24V-341 Well (API No. 05-123-44662) and the Sandin 24V-401 Well (API No. 05-123-44666) (collectively, the "Wells").

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "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 June 20, 2016, the Commission entered Order No. 407-1721, which, among other things, pooled all non-consenting interests in a 480-acre wellbore spacing unit for the SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17 and S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Schaumberg 17G-214 Well (API No. 05-123-43089), from the Niobrara Formation; pooled all non-consenting interests in two 400-acre wellbore spacing units for the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 17 and N $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M. and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Schaumberg 17F-202 Well (API No. 05-123-43088) and the Schaumberg 17F-332 well (API No. 05-123-43087), from the Niobrara Formation; pooled all non-consenting interests in a 240-acre wellbore spacing unit for the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17 and S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Schaumberg 17G-314 Well (API No. 05-123-43090), from the Niobrara Formation. Order No. 407-1721 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- On June 20, 2016, the Commission also entered Order No. 407-1722, which, among other things, pooled all non-consenting interests in three 480-acre wellbore spacing units for the SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17 and S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Cecil's Kersey Farm 17K-404 Well (API No. 05-123-42904), from the Codell Formation, and the Cecil's Kersey Farm 17K-204 Well (API No. 05-123-42901) and the Cecil's Kersey Farm 17K-334 Well (API No. 05-123-42900), from the Niobrara Formation. Order No. 407-1722 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- On November 8, 2016, the Commission entered Order No. 407-1820, which, among other things, pooled all non-consenting interests in two 480-acre wellbore spacing units for the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 17 and N $\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th

P.M., for the Schaumberg 17F-204 Well (API No. 05-123-43091) and the Schaumberg 17F-334 Well (API No. 05-123-43092), from the Niobrara Formation. Order No. 407-1820 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

- On November 8, 2016, the Commission also entered Order No. 407-1821, which, among other things, pooled all non-consenting interests in four 720-acre wellbore spacing units for the $W\frac{1}{2}$ of Section 6 and $W\frac{1}{2}$ of Section 7, Township 5 North, Range 64 West, 6th P.M., and the $S\frac{1}{2}SW\frac{1}{4}$ of Section 31, Township 6 North, Range 64 West, 6th P.M., for the Dunn 7L-201 Well (API No. 05-123-42830), Dunn 7L-221 Well (API No. 05-123-42827), Dunn 7L-301 Well (API No. 05-123-42825), and the Dunn 7L-341 Well (API No. 05-123-42832), from the Niobrara Formation. Order No. 407-1821 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- On November 8, 2016, the Commission also entered Order No. 407-1822, which, among other things, pooled all non-consenting interests in two 720-acre wellbore spacing units for the $W\frac{1}{2}W\frac{1}{2}$ of Section 6 and $W\frac{1}{2}W\frac{1}{2}$ of Section 7, Township 5 North, Range 64 West, 6th P.M., the $E\frac{1}{2}E\frac{1}{2}$ of Section 1 and $E\frac{1}{2}E\frac{1}{2}$ of Section 12, Township 5 North, Range 65 West, 6th P.M., the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 31, Township 6 North, Range 64 West, 6th P.M., and the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 36, Township 6 North, Range 65 West, 6th P.M., for the Dunn 7i-201 Well (API No. 05-123-42828) and the Dunn 7i-321 Well (API No. 05-123-42823), from the Niobrara Formation. Order No. 407-1822 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- On November 8, 2016, the Commission also entered Order No. 407-1823, which, among other things, pooled all non-consenting interests in a 640-acre wellbore spacing unit for the $S\frac{1}{2}S\frac{1}{2}$ of Section 7, $S\frac{1}{2}S\frac{1}{2}$ of Section 8, $N\frac{1}{2}N\frac{1}{2}$ of Section 17, and $N\frac{1}{2}N\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the HOP 18E-232 well (API No. 05-123-43160), from the Niobrara Formation. Order No. 407-1823 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- On February 2, 2017, the Commission entered Order No. 407-1877, which, among other things, pooled all non-consenting interests in a 560-acre wellbore spacing unit for the $S\frac{1}{2}S\frac{1}{2}$ of Section 7, $S\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}SE\frac{1}{4}$ of Section 8, $N\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{4}NE\frac{1}{4}$ of Section 17, and $N\frac{1}{2}N\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the HOP 18E-402 Well (API No. 05-123-43159), from the Codell Formation. Order No. 407-1877 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.

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 Gowen, Acting Secretary

Dated: June 15, 2017

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