

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 GOVERN OPERATIONS) DOCKET NO. 180100103
FOR THE CODELL AND NIOBRARA)
FORMATIONS, WATTENBERG FIELD, WELD) TYPE: POOLING
COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Wellbore Spacing Units (each 720.00 acres):
Sandin 24V-341 Well (API No. 05-123-44662) (Niobrara)
Sandin 24V-401 Well (API No. 05-123-44666) (Codell)

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 $\frac{1}{4}$

APPLICATION

On November 30, 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) To apply the cost recovery provisions of C.R.S. § 34-60-116(7) to an additional party within two 720-acre Wellbore Spacing Units covering the Application Lands, established for the Sandin 24V-341 well (API No. 05-123-44662) and the Sandin 24V-401 well (API No. 05-123-44666), which were pooled by Order No. 407-2162; and
- 2) For such other findings and orders as the Commission may deem proper or advisable in the premises.

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "Regulation," then click 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 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 #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 #05-123-43088) and the Schaumberg 17F-332 well (API #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 #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 #05-123-42904), from the Codell formation, and the Cecil's Kersey Farm 17K-204 well (API #05-123-42901) and the Cecil's Kersey Farm 17K-334 well (API #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 #05-123-43091) and the Schaumberg 17F-334 well (API #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 #05-123-42830), Dunn 7L-221 well (API #05-123-42827), Dunn 7L-301

well (API #05-123-42825), and the Dunn 7L-341 well (API #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 #05-123-42828) and the Dunn 7i-321 well (API #05-123-42823) well, 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 #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 #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.
- On June 21, 2017, the Commission entered Order No. 407-2066, which, among other things, pooled all non-consenting interests in three 480-acre wellbore spacing units for $W\frac{1}{2}SW\frac{1}{4}$ of Section 17 and $S\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the $E\frac{1}{2}SE\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Gillham 18X-234 well (API (#05-123-43904), Gillham 18X-332 well (API No. 05-123-43908), and the Gillham 18X-104 well (API No. 05-123-43902), from the Niobrara formation. Order No. 407-2066 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- Also on June 21, 2017, the Commission entered Order No. 407-2067, which, among other things, pooled all non-consenting interests in two 480-acre wellbore spacing units for the $W\frac{1}{2}SW\frac{1}{4}$ of Section 17 and $S\frac{1}{2}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the $E\frac{1}{2}SE\frac{1}{4}$ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Cecils Kersey Farm 17B-214 well (API No. 05-123-43895) and Cecils Kersey Farm 17B-304 well (API No. 05-123-43894), from the Niobrara formation. Order No. 407-2067 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- On August 9, 2017, the Commission entered Order No. 407-2137, which, among other things, pooled all non-consenting interests in a 440-acre wellbore spacing unit for the

SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 18 and NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 19, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 13, and NE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 24, Township 5 North, Range 65 West, 6th P.M., from the Codell formation. Order No. 407-2137 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Wells.

- Also on June 21, 2017, the Commission entered Order No. 407-2158, which, among other things, pooled all interests in four 720-acre wellbore spacing units for the E $\frac{1}{2}$ of Section 12, E $\frac{1}{2}$ of Section 13, and N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 24, Township 5 North Range 65 West, 6th P.M., for the Sandin 24C-201 well (API No. 05-123-44668), Sandin 24C-241 well (API No. 05-123-44664), Sandin 24C-301 well (API No. 05-123-44670, and the Sandin 24C-321 well (API No. 05-123-44661), from the Niobrara formation. Order No. 407-2158 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On August 10, 2017, the Commission entered Order No. 407-2159, which, among other things, pooled all interests in a 360-acre wellbore spacing unit for the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 12, E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 13, and NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 24, Township 5 North, Range 65 West, 6th P.M., for the Sandin 24C-221 well (API No. 05-123-44665), from the Niobrara formation. Order No. 407-2159 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- Also on August 10, 2017, the Commission entered Order No. 407-2160, which, among other things, pooled all interests in three 720-acre wellbore spacing units for the W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 12, W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 13, and NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 24, Township 5 North, Range 65 West, 6th P.M., for the Sandin 24N-241 well (API No. 05-123-44667), Sandin 24N-301 well (API No. 05-123-44671), and Sandin 24N-221 well (API No. 05-123-44663), from the Niobrara formation. Order No. 407-2160 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- Also on August 10, 2017, the Commission entered Order No. 407-2161, which, among other things, pooled all interests in a 360-acre wellbore spacing unit for the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 12, W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 13, and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 24, Township 5 North, Range 65 West, 6th P.M., for the Sandin 24N-321 well (API No. 05-123-44669), from the Niobrara formation. Order No. 407-2161 is not affected by this application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- Also on August 10, 2017, the Commission entered Order No. 407-2162, which, among other things, pooled all interests in the two approximate 720-acre horizontal Wellbore Spacing Units established for the Application Lands, for the Sandin 24V-321 well and the Sandin 24V-401 well, for the development and operation of the Niobrara and Codell formations.
- On September 29, 2017, PDC filed an application to apply the cost recovery provisions of C.R.S. § 34-60-116(7)(b) to an additional party within the approximate 720-acre horizontal Wellbore Spacing Units established for the Application Lands, for the Sandin 24V-341 well and the Sandin 24V-401 well, for development and operation of the Niobrara and Codell formations. That application is pending before the Commission, and will be heard as Docket No. 171200776 at the December 11–12, 2017 COGCC Hearing.

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: January 29-30, 2018
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 January 12, 2018.** 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 January 15, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** 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  _____
Julie Spence Prine, Secretary

Dated: December 22, 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@bflaw.com
csheward@bflaw.com