

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

IN THE MATTER OF THE APPLICATION OF ) CAUSE NO.  
THE PROMULGATION AND )  
ESTABLISHMENT OF FIELD RULES TO ) DOCKET NO. 180300219  
GOVERN OPERATIONS FOR THE )  
NIOBRARA AND CODELL 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 65 West, 6<sup>th</sup> P.M.

Section 9: N $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 10: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 11: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Wellbore Spacing Unit No. 1

Fern 11U-434 Well (API No. 05-123-44579) – Codell

Wellbore Spacing Unit No. 2

Fern 11U-334 Well (API No. 05-123-44580) - Niobrara

APPLICATION

On January 18, 2018, 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 320-acre designated horizontal wellbore spacing units, for the development and operation of the Niobrara and Codell Formations; and
- 2) Subject any nonconsenting 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 Fern 11U-434 Well (API No. 05-123-44579) (Codell Formation) and the Fern 11U-334 Well (API No. 05-123-44580) (Niobrara Formation) (“Wells”).

APPLICABLE ORDERS AND RULES

(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.
- Also on January 26, 2012, the Commission entered Order No. 407-552, which, among other things, pooled all nonconsenting interests in an approximate 160-acre designated horizontal wellbore spacing unit for the S½SW¼ of Section 3 and N½NW¼ of Section 10, Township 5 North, Range 65 West, for the Winters 35-3 Well (API No. 05-123-31655), from the Codell and Niobrara Formations. Order No. 407-552 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- On December 15, 2015, the Commission entered Order No. 407-1587, which, among other things, pooled all nonconsenting interests in two approximate 639.179-acre designated horizontal wellbore spacing units for the W½E½, E½W½ of Section 4 and E½W½, W½E½ of Section 9, Township 5 North, Range 65 West, for the Sherley I-4-9HN Well (API No. 05-123-40932) and the Sherley J-4-9HC Well (API No. 05-123-40899), from the Codell and Niobrara Formations. Order No. 407-1587 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Wells.
- Also on December 15, 2015, the Commission entered Order No. 407-1589, which, among other things, pooled all nonconsenting interests in four approximate 648.4015-acre designated horizontal wellbore spacing units for the W½ of Section 4 and W½ of Section 9, Township 5 North, Range 65 West, for the Sherley E-4-9HN Well (API No. 05-123-40966), Sherley F-4-9HN Well (API No. 05-123-40897), Sherley G-4-9HC Well (API No. 05-123-40896), and the Sherley H-4-9HN Well (API No. 05-123-40900), from the Codell and Niobrara Formations. Order No. 407-1589 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:

Date: March 19-20, 2018  
Time: 9:00 a.m.  
Place: Colorado Oil and Gas Conservation Commission  
The Chancery Building  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately three (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 March 5, 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 March 5, 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: February 5, 2018

Colorado Oil and Gas Conservation Commission  
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