

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 NIOBRARA) DOCKET NO. 180400350
FORMATION, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: POOLING

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: NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$

Section 20: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 21: N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

APPLICATION

On March 1, 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) Amend Order Nos. 407-1661 and 407-1756 to apply to the as-drilled acreage, consisting of the Application Lands, for the Klein 190-232 Well (API No. 05-123-40147) ("Well"), drilled to develop the Niobrara Formation;
- 2) Pool additional interests in an approximate 600-acre designated horizontal wellbore spacing unit, for the development and operation of the Niobrara Formation; and
- 3) 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 Well.

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.

- On March 7, 2016, the Commission entered Order No. 407-1648, which, among other things, pooled all nonconsenting interests in an approximate 720-acre wellbore spacing unit for the SE $\frac{1}{4}$ of Section 19, S $\frac{1}{2}$ of Section 20, and the 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 Schneider 19P-332 Well (API No. 05-123-39540), from the Niobrara Formation. Order No. 407-1648 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- Also on March 7, 2016, the Commission entered Order No. 407-1649, which, among other things, pooled all nonconsenting interests in an approximate 360-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 19, S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20, and the S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21, Township 5 North, Range 64 West, 6th P.M., for the Schneider 19P-232 Well (API No. 05-123-39544), from the Niobrara Formation. Order No. 407-1649 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- Also on March 7, 2016, the Commission entered Order No. 407-1650, which, among other things, pooled all nonconsenting interests in an approximate 800-acre wellbore 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, and the 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 No. 407-1650 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- Also on March 7, 2016, the Commission entered Order No. 407-1651, which, among other things, pooled all nonconsenting interests in an approximate 800-acre wellbore 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, and the 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 No. 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 7, 2016, the Commission entered Order No. 407-1652, which, among other things, pooled all nonconsenting interests in an approximate 720-acre designated horizontal wellbore 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, and the 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 No. 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 7, 2016, the Commission entered Order No. 407-1662, which, among other things, pooled all nonconsenting interests in an approximate 720-acre designated horizontal wellbore 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, and the 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 No. 407-1662 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

- Also on March 7, 2016, the Commission entered Order No. 407-1671, which, among other things, pooled all nonconsenting interests in an approximate 720-acre designated horizontal wellbore spacing unit for the NE $\frac{1}{4}$ of Section 19, N $\frac{1}{2}$ of Section 20, and the 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. 407-1671 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- Also on March 7, 2016, the Commission entered Order No. 407-1672, which, among other things, pooled all nonconsenting interests in an approximate 720-acre designated horizontal wellbore spacing unit for the NE $\frac{1}{4}$ of Section 19, N $\frac{1}{2}$ of Section 20, and the 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-202 Well (API No. 05-123-40249), from the Niobrara Formation. Order No. 407-1672 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On July 19, 2016, the Commission entered Order No. 407-1752, which, among other things, pooled all nonconsenting interests in an approximate 720-acre designated horizontal wellbore spacing unit for the NE $\frac{1}{4}$ of Section 19, N $\frac{1}{2}$ of Section 20, and the 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-202 Well (API No. 05-123-40249), from the Niobrara Formation. Order No. 407-1752 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- Also on July 19, 2016, the Commission entered Order No. 407-1753, which, among other things, pooled all nonconsenting interests in an approximate 720-acre designated horizontal wellbore spacing unit for the NE $\frac{1}{4}$ of Section 19, N $\frac{1}{2}$ of Section 20, and the 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 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On July 24, 2017, the Commission entered Order No. 407-2135, which, among other things, pooled all nonconsenting interests in an approximate 480-acre designated horizontal wellbore spacing unit for the SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 19, Township 5 North, Range 64 West, 6th P.M., and the 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 $\frac{1}{4}$ of Section 24, Township 5 North, Range 65 West, 6th P.M., for the Josephine 19O-204 Well (API No. 05-123-44681), from the Niobrara Formation. Order No. 407-2135 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- Also on July 24, 2017, the Commission entered Order No. 407-2136, which, among other things, pooled all nonconsenting interests in an approximate 440-acre designated horizontal wellbore spacing unit for the SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 19, Township 5 North, Range 64 West, 6th P.M., and the 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 $\frac{1}{4}$ of Section 24, Township 5 North, Range 65 West, 6th P.M., for the Josephine 19O-314 Well (API No. 05-123-44680), from the Niobrara Formation. Order No. 407-2136 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

- On March 7, 2016, the Commission entered Order No. 407-1661, which, among other things, pooled all nonconsenting interests in an approximate 560-acre designated horizontal wellbore 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 $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20, and the 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. On July 22, 2016, the Commission entered Order No. 407-1756 which, among other things, pooled additional parties in the 560-acre designated horizontal wellbore spacing unit for the Well. This Application seeks to amend Order Nos. 407-1661 and 407-1756 to apply to the as-drilled acreage for the Klein 19O-232 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:

Date: April 30 – May 1, 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 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 April 16, 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 April 16, 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: March 23, 2018

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