

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 FORT HAYS) DOCKET NO. 180700491
AND CODELL FORMATIONS, 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 18: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Township 5 North, Range 65 West, 6th P.M.
Section 13: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

APPLICATION

On April 17, 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 No. 407-1722 to apply only to the Wellbore Spacing Unit for the Cecil's Kersey Farm 17K-404ST Well (API No. 05-123-42904) ("Well"), drilled to develop the Fort Hays and Codell Formations;
- 2) Pool all interests the approximate 400-acre designated horizontal wellbore spacing unit, for the development and operation of the Fort Hays and Codell Formations; 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 August 12, 2011, the Commission entered Order No. 407-469 which, among other things, pooled all nonconsenting interests in an approximate 160-acre wellbore spacing unit for the NE¼ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the Puype B #18-17 Well (API No. 05-123-29600), from the Codell and Niobrara Formations. Order No. 407-469 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. 407-2162 which, among other things, pooled all nonconsenting interests in an approximate 720-acre wellbore spacing unit for the W½W½ of Section 7, W½W½ of Section 18, and the NW¼NW¼ of Section 19, Township 5 North, Range 64 West, 6th P.M., and the E½E½ of Section 12, E½E½ of Section 13, and the NE¼NE¼ of Section 24, Township 5 North, Range 65 West, 6th P.M., for the Sandin 24V-401 Well (API No. 05-123-44666), from the Codell Formation. Order No. 407-2162 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On June 20, 2016, the Commission entered Order No. 407-1722 which, among other things, pooled all nonconsenting interests in an approximate 400-acre designated horizontal wellbore spacing unit for the SW¼NW¼, NW¼SW¼ of Section 17, and S½N½, N½S½ of Section 18, Township 5 North, Range 64 West, 6th P.M., and the SE¼NE¼, NE¼SE¼ of Section 13, Township 5 North, Range 65 West, 6th P.M., for the Cecil's Kersey Farm 17K-404ST Well (API No. 05-123-42904), from the Codell Formation. This Application seeks to amend Order No. 407-1722 to apply to only the as-drilled acreage for the Cecil's Kersey Farm 17K-404ST Well and to pool all interests in the approximate 400-acre designated wellbore spacing unit for the development and operation of the Codell and Fort Hays Formations.

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: July 30 - August 1, 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 July 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 July 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: June 20, 2018

Colorado Oil and Gas Conservation Commission
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