

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA AND CODELL) DOCKET NO. 180700596
FORMATIONS, WATTENBERG FIELD, WELD)
COUNTY, COLORADO) TYPE: SPACING

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 31: S $\frac{1}{2}$ S $\frac{1}{2}$ S $\frac{1}{2}$

Section 32: S $\frac{1}{2}$ S $\frac{1}{2}$ S $\frac{1}{2}$

Section 33: S $\frac{1}{2}$ S $\frac{1}{2}$ S $\frac{1}{2}$

Township 4 North, Range 64 West, 6th P.M.

Section 4: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 5: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 6: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

APPLICATION

On May 31, 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) Establish an approximate 1,680-acre drilling and spacing unit for the Application Lands and approve up to 22 horizontal wells in the proposed unit, for production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations, with the productive interval of any horizontal well permitted under this Application located no less than 150 feet from the east and west unit boundaries, no less than 460 feet from the north and south unit boundaries, and no less than 150 feet from the productive interval of any wellbore within the same unit, unless an exception is granted by the Director; and
- 2) Require that the wells be drilled from no more than two surface locations within the unit or on adjacent lands, unless an exception is granted by the Director; and
- 3) Provide that any permitted wells shall be drilled in an east-west orientation or a west-east orientation.

APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or

recomplete a well, and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.

- 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. 407-452, which, among other things, established an approximate 320-acre wellbore spacing unit for the Schmidt PC C #06-69HC Well (API No. 05-123-34389) consisting of the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 5, Township 4 North, Range 64 West, 6th P.M., and the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 31, Township 5 North, Range 64 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Schmidt PC C #06-69HC Well and asserts that the production and payments from the Schmidt PC C #06-69HC Well should be maintained under the authority of Order No. 407-452 and other applicable Commission orders and rules.
- Also on August 12, 2011, the Commission entered Order No. 407-465, which, among other things, established an approximate 400-acre wellbore spacing unit for the Schmidt PC C #06-79HN Well (API No. 05-123-34238) consisting of the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 6, Township 4 North, Range 64 West, 6th P.M.; the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 1, Township 4 North, Range 65 West, 6th P.M.; the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, Township 5 North, Range 64 West, 6th P.M.; and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 5 North, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. PDC excludes from this Application the Schmidt PC C #06-79HN Well and asserts that the production and payments from the Schmidt PC C #06-79HN Well should be maintained under the authority of Order No. 407-465 and other applicable Commission orders and rules.

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 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 Prime, Secretary

Dated: June 20, 2018

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 Applicant:
Michael T. Jewell
Courtney M. Shephard
Burns, Figa & Will, P.C.
6400 S. Fiddlers Green Cir. - Ste. 1000
Greenwood Village, CO 80111
Tel: (303) 796-2626
mjewell@bflaw.com
cshephard@bflaw.com