

BEFORE THE COLORADO OIL & GAS
CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
PETROLEUM DEVELOPMENT)
CORPORATION FOR AN ORDER)
ESTABLISHING FIELD RULES TO GOVERN)
OPERATIONS IN THE ARMEL FIELD, YUMA)
COUNTY, COLORADO)

Cause No. 330

Docket No. _____

APPLICATION

Petroleum Development Corporation ("PDC"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing field rules applicable to the drilling and producing of wells from the Niobrara Formation covering certain described lands in Yuma County, Colorado and in support of its Application states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant owns the leasehold or otherwise operates existing oil and gas wells on or adjacent to the leasehold estate, including, but not limited to, the Niobrara Formation, underlying the following described lands:

Township 3 South, Range 42 West, 6th PM

Section 3: All
Section 4: All
Section 5: All
Section 8: All
Section 9: All
Section 10: All
Section 15: All
Section 16: All
Section 17: All
Section 21: All
Section 22: All

Yuma County, Colorado.

(hereinafter the "Application Lands").

3. That the Application Lands are subject to one or more of the Commission Orders, including Order Nos. 330-1, 330-2 and 330-3 of the Commission.

4. On November 21, 1977, through Order No. 330-1, the Commission established Six Hundred Forty (640) acre drilling and spacing units for the Application Lands for the production of gas from the Niobrara Formation, with the permitted well for each such drilling unit shall be located no closer than Nine Hundred (900) feet from the boundaries of the quarter section upon which it is located, and the presently producing well or wells capable of production be considered the permitted wells for the units upon which they are located. On August 21, 1978, through Order No 330-2, the Commission amended Order 330-1 and established One Hundred Sixty (160) acre drilling and spacing units for the production of gas from the Niobrara formation and that said units should be consisting of a quarter section and that the permitted well should be located no closer than Nine Hundred (900) feet from the boundaries of the quarter section upon which it is located, and that the existing producing wells or wells capable of production be considered the permitted wells for the units upon which they are located. In addition, the Order 330-2 established that the Director of the Commission, may, without additional notice and hearing, grant exceptions to the permitted well location provided the owners of the contiguous and cornering drilling units toward which the proposed location would be moved, file a waiver or consent in writing agreeing to said location. On July 20, 1981, through Order No. 330-3, the Commission reaffirmed the position held in Order No. 330-2.

5. That Applicant has drilled, tested and completed wells in the Niobrara Formation upon the Application Lands and nearby the Application Lands.

6. That the Applicant is requesting that the Commission vacate the existing spacing established by Order 330-2 pertaining to the Niobrara Formation in the Application Lands. There

appears to be only two producing wells in the Application Lands: the Engel #1-10 Well in Section 10 operated by Applicant, and the Soehner #1-15 Well in Section 15 operated by Tindall Operating Company. This Soehner #1-15 Well is being paid out based on a 160-acre basis, and there is just one mineral owner within the 160-acres; PDC does not anticipate any impact to royalty payments. The Soehner #31-10 is permitted by Applicant for development.

7. Vacation of Order No. 330-2 will not result in waste or the drilling of unnecessary wells. Vacation of Order 330-2 will not affect correlative rights of any parties and the setbacks will be the same as the adjacent lands in Colorado.

8. Vacation of Order No. 330-2 will permit Applicant to drill wells to the Niobrara Formation in the Application Lands in accordance with the provisions of Rule 318.b. of the Rules and Regulations of this Commission. Applicant requests that once 330-2 is vacated, these Application Lands revert back to Rule 318.b. wherein wells drilled to less than a depth of two thousand five hundred (2,500) feet in depth shall be located not less than two hundred (200) feet from any lease line, and not less than three hundred (300) feet from any other producible oil or gas well, or drilling well, in said source of supply, except that only one producible oil or gas well in each such source of supply shall be allowed in each governmental quarter-quarter section unless an exception under Rule 318.c. is obtained.

9. That the names and addresses of the interested parties according to the information and belief of the Applicants are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above, and for such other findings and orders as the Commission may deem proper or advisable in the premises.

Dated this 4th day of August, 2008.

Respectfully submitted,

Petroleum Development Corporation

By: _____
Michael J. Wozniak
Susan L. Aldridge
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:

1775 Sherman Street, Suite 3000
Denver, CO 80203

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF _____)

A. Tyson Johnston, of lawful age, being first duly sworn upon oath, deposes and says that he a Landman for the Western Rockies and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

A. Tyson Johnston

Subscribed and sworn to before this _____ day of August, 2008.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
INTERESTED PARTIES

Coleman Oil & Gas, Inc.
1610 Wynkoop St, Suite 550
Denver, CO 80202

L & D Ranch & Minerals Properties
P.O. Box 464
Wray, CO 80758

Ronelle D. Kotter and Ken Kotter
1680 Molitor Drive
Belmont, CA. 94002

Noble Energy, Inc.
1625 Broadway, Suite 2000
Denver, CO 80202

Rosewood Resources, Inc.
1600 Broadway, Suite 2400
Denver, CO 80202

Glenard Ray Harper and Rita M. Harper
8636 Beaver Lane
Port Richey, FL 34668

Eric L. Jones and Cynthia D. Jones
17150 County Road PP
Wray, CO 80758

Mountain Petroleum Corporation
1801 Broadway, Suite 1250
Denver, CO 80202

Tucker Energy, LLC
Registered Agent Street Address:
R. Lee Tucker
12741 E. Caley, #142
Centennial, Colorado 80111

The East Yuma County Cemetery
District #3
Cemetery Road
Wray, CO 80758

The Yuma County Fire Protection District
123 E. 4th Street
Wray, CO 80758

The United States of America
Department of the Interior

Elmer R. Hilt Revocable Trust, dated 6/26/2003;
Elmer R. Hilt and Margaret C. Hilt, Trustees
RT. 1, Box 348
St. Francis, KS 67756-9745

Beulah M. Soehner, Individually
36560 County Road 17
Wray, CO 80758

Beulah M. Soehner, Trustee of The Kale Soehner
Family Trust
36560 County Road 17
Wray, CO 80758

Jerry L & Cheryl L. Soehner
15520 County Road PP
Wray, CO 80758

Ronelle D. Kotter and Ken Kotter
1680 Molitor Drive
Belmont, CA 94002

Rueb Farms, Inc.
% Randall Rueb
RT. 1, Box 376
St. Francis, KS 67756

Lawrence W. Crites & Geraldine D. Crites Revocable
Trust, dated March 14, 2007
PO Box 8
26769 County Road 9.1
Idalia, CO 80753

Glenard Ray Harper and Rita M. Harper
8636 Beaver Lane
Port Richey, FL 34668

Diane C. Leisy and Robert Leisy
12937 Highway 392
Greeley, CO 80631

Roger E. Wieser and Trudi D. Wieser
4355 County Road R
Kirk, CO 80824

Janet L. Smith
5998 County Road MM
Idalia, CO 80753

Shaver Revocable Living Trust
John Wesley Shaver and Lucy Richards
Shaver, Trustees
1626 Santa Clara Circle
Sierra Vista, AZ 85635

Loren William Burch and Lorayne A. Burch
3434 San Pasqual
Pasadena, CA 91107

The John A. & Allene L. England Trust. John A.
England & Allene L. England as Trustees
4820 S. Lipan St.
Englewood, CO 80110-6424
(303) 789-4242

Edward A. Brunswig
Rt. 1 P.O. Box 22A
Haigler, NE 69030

Loretta R. Touslee & James Touslee
1876 N. 500 Road
Baldwin City, KS 66006

Marvin L. Raile
1876 N. 500 Road
Baldwin City, KS 66006

Dale D. Raile
1876 N. 500 Road
Baldwin City, KS 66006

Clifford D. Raile
1876 N. 500 Road
Baldwin City, KS 66006

Harry E. Ekberg & Beulah M. Ekberg, h/w
21776 County Road KK
Wray, CO 80758

The Keith Samuel Gilroy Living Trust dated 1/27/2004
4395 Chateau Drive
Loveland, CO 80538

Lyle C. Gilroy and Betty J. Gilroy as Trustees of the
Lyle C. Gilroy and Betty J. Gilroy Revocable Living
Trust dated 11-14-05
4395 Chateau Dr.
Loveland, CO 80538-1591

Jerry Lynn Soehner, Trustee of the Jerry Lynn Soehner
Trust under Trust Agreement dated 5/10/1996
15520 County Road PP
Wray, CO 80758

Britt I. Weygandt, Division Director
Mark W. Davis, Mineral Director
State of Colorado, State Board of Land Commissioners
1313 Sherman St.
Denver, CO 80203

Elden G. Kamla and Deborah S. Kamla
123 Herons Nest Lane
St. Augustine, FL 32080

The East Yuma County Cemetary
District #3
Cemetery Road
Wray, CO 80758

The Yuma County Fire Protection District
123 E. 4th Street
Wray, CO 80758

Beulah M. Soehner, Beulah M. Soehner, Trustee of the
Kale Soehner Family Trust
36560 County Road 17
Wray, CO 80758

Jimmie D. Rogers
541 Adams Street
Wray, CO 80758

Randall Rueb & Rikki Rueb
1625 Road 2
St. Francis, CO 66756

Steven Frederick Rueb & Janet Rueb Herbst
212 Jefferson, Ave.
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United States of America
c/o Bureau of Land Management
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Lakewood, CO 80225

Linda Briggs
Yuma County
310 Ash, Suite A
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