

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

IN THE MATTER OF PETROLEUM DEVELOPMENT CORPORATION'S VERIFIED APPLICATION FOR AN ORDER CREATING A 320 ACRE DRILLING AND SPACING UNIT IN W½, SECTION 10, TOWNSHIP 5 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO, FOR THE DRILLING OF WELLS TO THE SUSSEX-SHANNON, NIOBRARA-CODELL, "J" SAND, AND DAKOTA FORMATIONS; AND APPLICATION FOR AN ORDER POOLING ALL NON-CONSENTING INTERESTS, AND APPLICATION TO PARTIALLY VACATE ORDER 407-87

CAUSE NOS:

ORDER NO:

DOCKET NO:

VERIFIED APPLICATION

COMES NOW the Applicant, Petroleum Development Corporation, by its attorneys, Scott M. Campbell and Nick A. Swartzendruber, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an Order creating a 320 acre drilling and spacing unit in the W½, Section 10, Township 5 North, Range 63 West, 6th P.M., Weld County, Colorado, for the drilling of wells to the Sussex-Shannon, Niobrara-Codell, "J" Sand, and Dakota Formations; Application for an Order Pooling All Non-Consenting Interests; and Application for an Order to Partially Vacate Order 407-87. In support thereof, Petroleum Development Corporation states as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That Applicant owns a leasehold interest in the following described lands, located in Weld County, Colorado:

Township 5 North, Range 63 West, 6th P.M.
Section 10: W½

(the "Application Lands").

3. 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. On December 5, 2005, Rule 318A. was amended to, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. The Application Lands are subject to COGCC Rule 318A.e.

4. The Application Lands, and other lands, are also subject to Commission Order No. 407-87, dated effective February 19, 1992, which established 80 acre drilling and spacing units

for the production of oil and/or gas and associated hydrocarbons from the Codell-Niobrara Formations.

5. The attached Well Proposal Plat describes the requested 320 acre drilling and spacing unit for the purposes of force pooling all non-consenting net revenue interest owners in the planned wells. (Ex. "B").

6. Applicant has obtained approval to drill the following wells on the Application Lands, *i.e.*, the proposed 320 acre drilling and spacing unit, to the identified formations:

<u>Well Names</u>	<u>Surface Location</u>	<u>Bottomhole Location</u>
Wells Ranch #11-10	660 FNL 661 FWL	SAME
Wells Ranch #21-10	561 FNL 1959 FWL	SAME
Wells Ranch #10A	1320 FNL 1323 FWL	SAME
Wells Ranch #12-10	2158 FNL 763 FWL	SAME
Wells Ranch #22-10	1893 FNL 1958 FWL	SAME
Wells Ranch #13-10	1899 FSL 585 FWL	SAME
Wells Ranch #23-10	1806 FSL 1917 FWL	SAME
Wells Ranch #10B	1203 FSL 1338 FWL	SAME
Wells Ranch #14-10	660 FSL 663 FWL	SAME
Wells Ranch #24-10	674 FSL 2129 FWL	SAME

these surface and bottomhole locations are reflected in the Applicant's approved APDs. (Ex. "C").

7. Applicant has so far been unable to obtain 100% consent to voluntary pooling by all net revenue interests owners in the proposed 320 acre drilling and spacing unit. As a result, it is necessary and proper for Applicant to request that the interests of those net revenue interest owners which have not agreed to such voluntary pooling be involuntarily pooled pursuant to C. R. S. § 34-60-116 of the Colorado Oil and Gas Conservation Act.

8. AFE's and proposed leases were timely submitted to the non-consenting net revenue interest owners, pursuant to the requirements of COGCC Rules 530.a. and 530.b. (Ex. "D", AFE Example; Ex. "E" Lease Example).

9. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owned by the unleased mineral owners listed on Exhibit A should be pooled in the Sussex-Shannon, Niobrara-Codell, "J" Sand, and Dakota Formations, in accordance with C.R.S. § 34-60-116 and Rule 530 of the COGCC.

10. Applicant further requests that Order No. 407-87, dated effective February 19, 1992, which established 80 acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons from the Codell-Niobrara Formations underlying the Application Lands, and other lands, be vacated as to the Application Lands alone. No wells have been drilled in the Application Lands. It is Applicant's intent to establish a 320 acre drilling and spacing unit for the drilling of wells to the Sussex-Shannon, Niobrara-Codell, "J" Sand, and Dakota Formations underlying the Application Lands.

11. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof, first-class postage prepaid, to the last known mailing address of the interested parties. Applicant shall simultaneously submit said list of interested parties to the Commission via electronic media.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September, 2008, 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.

DATED: August 4, 2008.

Petroleum Development Corporation

By:

Scott M. Campbell
Nick A. Swartzendruber
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Telephone: (303) 861-4400
Facsimile: (303) 861-1225

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Jim Schaff of lawful age, being first duly sworn upon oath, deposes and says that he is the Vice President Land 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.

By: _____

Subscribed and sworn to before me this 4th day of August, 2008

Witness my hand and official seal.

My commission expires: _____

Notary Public

Exhibit A

Homer V. House, Deceased
22Y2X Mineral Spring
Post Office Box 1
Baker, California 92309

R.E. Winbourn
(No Address Given)

Albert L. Dundas, Deceased
2828 W. Ellsworth
Denver, Colorado 80219

Veda D. Schafer, Deceased
(Unleased Mineral Interest)
860 Cherry Street
Willamina, Oregon 97396

Lloyd A. Gehrtz, Deceased
(Unleased Mineral Interest)
1729 Merrill
Paradise, California 95969

Raymond A. Gehrtz, Deceased
4030 Northeast 79th
Portland, Oregon 97213

Lucile I. Krause, Deceased
(Unleased Mineral Interest)
Walter Krause
16 Wood Drive
Magalia, California 95954

John Lemonds
Carole Lemonds
7301 South Gum Place
Broken Arrow, Oklahoma 74012

Mrs. Florence A. Nix, Deceased
(Unleased Mineral Interest)
Mr. Forrest Nix, Deceased
5729 Mulberry Ridge
Camarillo, California 93010

Raymond L. Harrison as Trustee of the
Raymond Harrison Trust U/A 12/31/1991
Post Office Box 153
Hygiene, Colorado 80533

Legacy Royalties, Ltd., A Texas Partnership
Post Office Box 1360
Tyler, Texas 75710-1360

Steven D. Smith, President
Legacy Royalties, Ltd., A Texas Partnership
102 N. College Avenue
Tyler, Texas 75701-7277

Raymond C. Dundas, a widower
RR3, Box 409
Dickinson, Texas 77539

Raye Ann Yapp
Richard A. Yapp, Wife and Husband
4228 SW Brittany Dr.
Gresham, Oregon 97080

Raymond C. Drasbek
3411 Ivancovich Way
Redmond, Oregon 97756

Duane E. Swope, Heir of Deceased
Descendant of J.S. Morse
2052 22nd Avenue
Greeley, Colorado 80631

Mabel Eikleberry, by and through Barbara
Page, Attorney-in-Fact
27344 County Road 24.6
Springfield, Colorado 81073

Maxine Morris, Heir of Deceased Descendant
of J.S. Morse
628 Lane Street
Ft. Morgan, Colorado 80701

Royce E. Dundas, Deceased
15770 Oakdale
Dallas, Oregon 97338

Wells Ranch, A Partnership
(Unleased Mineral Interest)
32010 County Road 63
Gill, Colorado 80624

Katherine Calve Trust dated February 28, 1991
1340 Olive Street
Denver, Colorado 80220

Wells Ranch, LLLP
32010 W.C.R. 63
Gill, Colorado 80624

Barbara E. McMahan
311 Second Avenue
La Salle, Colorado 80645

Richard McMahan
800 8th Avenue, Suite 136
Greeley, Colorado 80631

Richard L. Harrison
Post Office Box 153
Hygiene, Colorado 80533

Jim Schaff, VP Land
Petroleum Development Corp.
1775 Sherman Street, Suite 3000
Denver, Colorado 80203

Louis M. Kimball, Heir of Deceased
Descendant of J.S. Morse
1101 South Ellsworth Road 633
Mesa, Arizona 85208

Jeffrey S. Patterson, Heir of Orietta Patterson,
heir of deceased descendant J.S. Morse
15590 SW Baker Lane
Tigard, Oregon 97224

Sherrill Lynn Cunningham, Heir of Orietta
Patterson, Heir of Deceased Descendant J.S.
Morse
16625 SW Beverly Beach Court
Beaverton, Oregon 97007

Patrick Haggerty, Heir of Janet Haggerty, Heir
of Deceased Descendant of J.S. Morse
3076 W. Prentice Ave., Unit 1
Littleton, Colorado 80123

Scott M. Campbell
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203

Bruce T. Barker
Weld County
Post Office Box 758
Greeley, Colorado 80632

Trevor Walker
Lone Tree Energy & Associates, LLC
141 Union Boulevard, Suite 260
Lakewood, Colorado 80228

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

IN THE MATTER OF PETROLEUM DEVELOPMENT CORPORATION'S VERIFIED APPLICATION FOR AN ORDER CREATING A 320 ACRE DRILLING AND SPACING UNIT IN W½, SECTION 10, TOWNSHIP 5 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO, FOR THE DRILLING OF WELLS TO THE SUSSEX-SHANNON, NIOBRARA-CODELL, "J" SAND, AND DAKOTA FORMATIONS; AND APPLICATION FOR AN ORDER POOLING ALL NON-CONSENTING INTERESTS, AND APPLICATION TO PARTIALLY VACATE ORDER 407-87

CAUSE NOS:

ORDER NO:

DOCKET NO:

AFFIDAVIT OF MAIL

STATE OF COLORADO

)

)

SS.

COUNTY OF DENVER

)

Scott M. Campbell, of lawful age, being first duly sworn upon oath, states and declares:

That he is the attorney for Petroleum Development Corporation, Applicant herein; that on the August 5, 2008, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to each of the parties listed on Exhibit "A" attached hereto.

POULSON, ODELL & PETERSON, LLC

By:

Scott M. Campbell
Nick A. Swartzendruber
1775 Sherman Street, Suite 1400
Denver, Colorado 80203-4319
Telephone: (303) 861-4400

Subscribed and sworn to before me this 5th day of August, 2008.

Witness my hand and official seal.

My commission expires: July 22, 2011.

Notary Public