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

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IN THE MATTER OF THE APPLICATION OF PETROLEUM DEVELOPMENT CORP. FOR AN ORDER POOLING CERTAIN NONCONSENTING INTERESTS IN THE CODELL/NIOBRARA FORMATION LOCATED IN THE WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 232

DOCKET NO.

APPLICATION

COMES NOW, Petroleum Development Corp. ("Applicant"), by and through its undersigned counsel, makes application to the Oil and Gas Conservation Commission of the State of Colorado ("COGCC") for an order pooling all nonconsenting interests in the Shultz 24-30D well drilled to the Codell/Niobrara Formation in the lands described in Paragraph 2, such lands comprising an existing 80-acre drilling and spacing unit for the Codell/Niobrara Formation, pursuant to Commission Order 232 *et. seq.* In support thereof, Applicant states as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good-standing with the COGCC.

2. Applicant owns a majority leasehold interest (92.2%) in the unit requested for pooling:

S/2SW of Section 30, Township 4N, Range 67W, 6th P.M., Weld County, CO

3. Applicant has drilled the Shultz 24-30D well shown in red on the plat attached hereto as Exhibit 1, for which it is requesting that this order apply, as of the spud date for this well.

4. The parties shown on Exhibit 2 hereto own separate, and undivided, leasehold working interests in the referenced lands, and such parties have been offered the option to participate in the drilling of the well, but, to date, one or more of the parties has declined, or failed to respond to, such offers. With respect to 5 of the parties identified on Exhibit 2 – Chet Le'Cluse, Consuelo Montoya, Albert Smiley, Hyman Thompson and Marius Schwartz– such offers have been returned as undeliverable or unclaimed and Applicant has been unable to locate these parties, or a successor in interest, despite diligent efforts. With respect to two of these parties, Ampetro, Inc. and Windsor Limited Partnership, no address is available and Applicant has been unable to locate an address for these parties despite diligent efforts. Two parties, Earl Thompson and Mitchel Phillips, elected to participate.

5. Authorizations For Expenditure ("AFEs") containing the information required by COGCC Rule 530.a were sent to the parties regarding the well more than thirty (30) days

prior to the date of the hearing on this Application. A sample of the well proposal letter and a representative AFE are attached as Exhibits 3 and 4. As of the date of this application, the status of each offer to participate is shown on Exhibit 2.

6. That the names and last-known addresses of the interested parties with respect to this Application are set forth in Exhibit 2, and the undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the date hereof, as required by COGCC Rule 503.e.

7. That in order to prevent waste and to protect correlative rights, all non-consenting interests shown on Exhibit 2 should be pooled for the Codell/Niobrara Formation in accordance with C.R.S 34-60-116 and COGCC Rule 530.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity and that notice thereof be provided as required by law, and that upon such hearing, this Commission enter its order:

A. That all leasehold interest owners with whom the Applicant has been unable to secure an agreement to participate the drilling of the wells described in this Application be pooled involuntarily with respect to the Codell/Niobrara Formation, and that such owners be treated as nonconsenting owners under C.R.S. 34-60-116 and be made subject to the terms and penalties provided for therein, as of the spud date of the well described in this Application.

B. For such other findings and orders as the Commission may deem proper or advisable in this matter.

RESPECTFULLY SUBMITTED THIS 22nd DAY OF December, 2009:

Kenneth A. Wonstolen #11090 William E. Sparks, # 40064 BEATTY & WOZNIAK, P.C. 216 16th Street, Suite 1100 Denver, CO 80202 303-407-4499 <u>kwonstolen@bwenergylaw.com</u> wsparks@bwenergylaw.com

VERIFICATION

| STATE OF COLORADO |) |
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| |) |
| CITY & COUNTY OF DENVER |) |

John Krattenmaker, Landman of Petroleum Development Corporation, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

PETROLEUM DEVELOPMENT CORPORATION

By:_____ John Krattenmaker

Subscribed and sworn to before me this _____ day of December, 2009, by John Krattenmaker of Petroleum Development Corporation.

My commission expires:_____

Witness my hand and official seal.

Notary Public

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

| IN THE MATTER OF THE APPLICATION OF |) | |
|-------------------------------------|---|---------------|
| PETROLEUM DEVELOPMENT CORP. FOR AN |) | CAUSE NO. 232 |
| ORDER POOLING CERTAIN NONCONSENTING |) | |
| INTERESTS IN THE CODELL/NIOBRARA |) | |
| FORMATION LOCATED IN THE WATTENBERG |) | DOCKET NO. |
| FIELD, WELD COUNTY, COLORADO |) | |

AFFIDAVIT OF MAILING

| STATE OF COLORADO |) |
|---------------------------|---|
| |) |
| CITY AND COUNTY OF DENVER |) |

William E. Sparks of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Petroleum Development Corporation, that on or before December 30, 2009, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A attached hereto.

William E. Sparks

Subscribed and sworn to before me _____, 2009.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

EXHIBIT A

State of Colorado State Board of Land Commissioners 1127 Sherman Street, Suite 300 Denver, CO 80203-2206

Ampetro, Inc. No address available

Chet Le'Cluse 2833 Leonis Blvd. Los Angeles, CA 90058

Consuelo Montoya 3917 Portola Avenue Los Angeles, CA 90032

Mitchel Phillips 6208 O'Bannon Las Vegas, NV 89102

Marius Schwartz 3710 Warren Street NW Washington, DC 20016

Albert Smiley Lake Monhonk Washington, DC 20016

Earl Thompson 6970 Los Tilos Rd. Los Angeles, CA 90068

Hyman Thompson 1211 Orlando Avenue Los Angeles, CA 90035

Windsor Limited Partnership No address available