

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

IN THE MATTER OF THE APPLICATION OF)
PETROLEUM DEVELOPMENT CORPORATION)
FOR AN ORDER POOLING CERTAIN)
DESIGNATED NON-CONSENTING INTERESTS)
IN THE CODELL /NIOBRARA AND J SAND)
FORMATIONS IN ESTABLISHED DRILLING AND)
SPACING UNITS LOCATED IN THE)
WATTENBERG FIELD, WELD COUNTY,)
COLORADO)

CAUSE NO. 232 & 407

DOCKET NO. _____

APPLICATION

COMES NOW, Petroleum Development Corporation ("Applicant"), by and through its undersigned counsel, and makes application to the Oil and Gas Conservation Commission of the State of Colorado ("COGCC") for an order pooling all interests in the subject lands and involuntarily pooling certain designated non-consenting interests for wells drilled to the Codell/Niobrara and J Sand Formations in the below described lands in the Greater Wattenberg Field, Weld County, pursuant to COGCC Rules and Orders applicable thereto. 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 leasehold interests in the following lands requested for pooling:

Township 5 North, Range 67 West, 6th P.M.

J Sand:

Sec. 28: W $\frac{1}{2}$

Codell/Niobrara:

Sec. 28: W $\frac{1}{2}$, W $\frac{1}{2}$ NE $\frac{1}{4}$

Sec. 33: N $\frac{1}{2}$ NW $\frac{1}{4}$

Weld County, Colorado

3. (a) On October 19, 1981, the COGCC issued Order No. 232-23, which among other things, amended Order No. 232-20 to establish additional 320-acre drilling and spacing units and allow a second well to be drilled on said units for certain lands, including the W $\frac{1}{2}$ of Section 28, Township 5, North, Range 67 West, 6th P.M., for the production of gas and associated hydrocarbons from the J Sand Formation.

(b) On December 19, 1983, the COGCC issued Order No. 407-1 (amended on March 29, 2000), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons from the Codell Formation underlying certain Lands, including the Application Lands described above, with the unit to be designated by the operator drilling the first well in the quarter section. The permitted well shall be located in the center of either 40-acre tract within the unit with a tolerance of 200 feet in any direction. The operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit.

(c) On February 19, 1992, the COGCC issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including the Application Lands described above, with the permitted well locations in accordance with the provisions of Order No. 407-1.

4. (a) On April 27, 1998, the COGCC adopted Rule 318A, which, among other things, allowed the pre-existing J Sands and Codell/Niobrara drilling windows 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. The Application Lands are subject to this Rule.

(b) 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. Section 28, Township 5 North, Range 67 West, 6th P.M. is subject to this rule for the Codell and Niobrara Formations.

5. Rule 318A.a(4)(C), in relevant part, states as follows:

If a well is proposed to be located less than four hundred sixty (460) feet from the governmental quarter-quarter section boundary, a wellbore spacing unit ("wellbore spacing unit") for such well shall be comprised of the four (4) governmental quarter-quarter sections nearest to the wellbore regardless of section or quarter-section lines.

This rule applies to the Mellon 28-N and Kinzer 28LD wells, shown below.

6. Applicant has drilled the wells listed below and shown on the maps attached hereto as Exhibit 1, for which it is requesting that this order apply, as of the spud date shown below:

- **Kinzer 13-28 Well** (J-Sand only; July 2007)
- **Kinzer 11-28 Well**¹ (J-Sand only; Nov. 2008)
- **Kinzer 28KD Well** (Codell/Niobrara only; Nov. 2008)
- **Kinzer 28LD Well** (Codell/Niobrara only; Oct. 2008)
- **Mellon 28-N Well** (Codell/Niobrara only; Nov. 2008)

¹ The Kinzer 11-28 well as produces from the Codell/Niobrara formation but there are no non-consenting interest to be pooled in this formation.

- **Kinzer 28A Well** (Codell/Niobrara and J-Sand; Feb. 2008)
- **Kinzer 28B Well** (Codell/Niobrara and J-Sand; Oct. 2008)

7. Applicant owns ninety percent (90%) or more of the leasehold working interests in the Application lands. The interested parties working interests comprise the remaining leasehold interests in the Application Lands. No unleased mineral owners are sought to be pooled by this Application. Exhibits 2A lists the working interest owners (in boldface type) for those wells in which pooling is sought for the J Sand Formation only. Exhibits 2B lists the working interest owners (in boldface type) for those wells in which pooling is sought for the Codell/Niobrara Formation only. Exhibits 2C lists the working interest owners (in boldface type) for those wells in which pooling is sought for the J Sand and Codell/Niobrara Formations.

8. Applicant has not been able to locate several of the interested parties as described in Exhibit 2 despite diligent efforts. Other than as shown on Exhibit 2, Applicant has not received any response from interested parties concerning the proposed well.

9. Exhibit 3 is a combined list of all of the interested parties owning leasehold working interests in the Application lands for each referenced formation. These parties have each been offered the opportunity to participate in the well or wells described above, as applicable.

10. The name and last-known address of the interested parties are set forth in Exhibit 3, and the undersigned certifies that copies of this Application will be served on all interested parties within seven (7) days of the date hereof, as required by COGCC Rule 503.e.

11. Written notices containing the information required by COGCC Rule 530.b were sent to the interested parties regarding the well more than thirty (30) days prior to the date of the hearing on this Application. Copies of the well proposal letters, AFEs, and plats of the proposed wells are attached as Exhibit 4.

12. That in order to prevent waste, to protect correlative rights, and in the best interests of conservation, the interests of the interested parties in the described lands and drilling units should be pooled, and the designated non-consenting owners should be involuntarily pooled, 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 COGCC enter its order:

A. Applicant requests an Order from the COGCC to pool all interests in the designated J Sand drilling and spacing unit for the Kinzer 13-28 and Kinzer 11-28 wells, and with respect to the designated non-consenting owners (shown in boldface type on Exhibit 2A) subject such owners to the involuntary pooling provisions of C.R.S. 34-60-116, as of the spud date of these wells, for the development and operation of the J-Sand Formation.

B. Applicant requests an Order from the COGCC to pool all interests in the designated Codell/Niobrara drilling and spacing unit for the Kinzer 28KD, Kinzer 28LD and Mellon 28N wells, and with respect to the designated non-consenting owners (shown in boldface type on

Exhibit 2B) subject such owners to the involuntary pooling provisions of C.R.S. 34-60-116, as of the spud date of these wells, for the development and operation of the Codell/Niobrara Formation.

C. Applicant requests an Order from the COGCC to pool all interests in the designated J Sand and Codell/Niobrara drilling and spacing units for the Kinzer 28A and Kinzer 28B wells, and with respect to the designated non-consenting owners (shown in boldface type on Exhibit 2C) subject such owners to the involuntary pooling provisions of C.R.S. 34-60-116, as of the spud date of these wells, for the development and operation of the Codell/Niobrara and J-Sand Formations.

D. Applicant requests that the COGCC Order apply to all future wells drilled to the specified formations on the lands and units pooled therein.

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

RESPECTFULLY SUBMITTED THIS 3RD DAY OF FEBRUARY, 2010.

BEATTY & WOZNIAK, P.C.

By: _____
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ATTORNEYS FOR PETROLEUM DEVELOPMENT
CORPORATION

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND 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.

John Krattenmaker

Subscribed and sworn to before me this ____ day of February, 2010.

Witness my hand and official seal.

My commission expires:_____

Notary Public

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WATTENBERG FIELD, WELD COUNTY,)
COLORADO)

AFFIDAVIT OF MAILING

STATE OF COLORADO)
) ss.
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 February 8, 2010, he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit 3 to the Application.

By: _____
William E. Sparks

Subscribed and sworn to before me this _____ day of February, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public

Exhibit 3
Interested Parties

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

Ampetro, Inc.

Earl Thompson
6970 Los Tilos Road
Los Angeles, CA 90068

William Wells

Martin Harrington, Jr. and
Julie Stagg Harrington
2236 S. Jackson Street
Denver, CO 80210

Harry D. Allis Trust
1035 Northlawn
East Lansing, MI 48823

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1625 Broadway, Suite 2000
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508 Grand River Avenue
Lansing, MI 48905

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935 Rosewood Avenue
East Lansing, MI 48823

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Dorothy R. Weber
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400 Concho Drive
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Denver, CO 80202