

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

IN THE MATTER OF THE APPLICATION OF UNIOIL  
FOR AN ORDER POOLING ALL INTERESTS IN THE  
CODELL AND NIOBRARA FORMATIONS IN A 80-  
ACRE DRILLING AND SPACING UNIT IN WELD  
COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

**APPLICATION**

COMES NOW Unioil, a wholly-owned subsidiary of Petroleum Development Corporation ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., and makes application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests for the development of the Codell and Niobrara Formations on the following described lands:

Township 5 North, Range 63 West, 6th P.M.  
Section 19: S/2SW/4

Weld County, Colorado

(hereinafter "Application Lands")

In support of its application, Applicant states and alleges 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 Commission.
2. Applicant owns leasehold interests in a substantial portion of the Application Lands.
3. On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Section 19, Township 5 North, Range 63 West, 6th P.M. is subject to this order.
4. 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 allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. The Application Lands are subject to this Rule, specifically Rule 318A.a.(4)C. and 318A.e.(1), for the Codell and Niobrara Formations.
5. Applicant drilled the Bijou 14-19DU Well (spud date September 1, 2010) within the designated wellbore spacing unit with a surface location 2478 feet FNL and 1306 feet FWL and a bottomhole location 655 feet FSL and 663 feet FWL of its wellbore spacing unit. Applicant also drilled the Bijou 24-19DU Well (spud date April 6, 2010) within the same designated wellbore spacing unit

with a surface location 827 feet FSL and 502 feet FWL and a bottomhole location 653 feet FSL and 1988 feet FWL of its wellbore spacing unit. These wells are shown on the map attached as Exhibit A.

6. Authorization for Expenditure ("AFE") and the option to participate in the drilling of the Bijou 14-19DU Well and the Bijou 24-19DU, containing the information required by COGCC Rule 530.a, were sent to OMX Corporation (OMX) regarding these wells more than thirty (30) days prior to the date of the hearing on this Application. As of the date of this Application, the offers to participate have been returned to Applicant as undeliverable with no forwarding address, and Applicant has been unable to locate OMX or a successor in interest, despite diligent efforts.

7. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests in the Application Lands for the development of the Codell and Niobrara Formations, including any nonconsenting interests therein.

8. Applicant requests that the Commission's pooling order be made effective as of the spud date of the Bijou 14-19DU Well (September 1, 2010) and the Bijou 24-19DU Well (April 6, 2010).

9. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the wells, and will be provided with the information required by Rule 530. The list of such interested parties is attached hereto as Exhibit B.

10. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled for the orderly development of the Codell and Niobrara Formations, including any nonconsenting interests therein.

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

A. Pooling all interests in the Application Lands for the development of the Codell and Niobrara Formations.

B. Providing that the Commission's pooling order is made effective as of the spud date of the Bijou 14-19DU Well (September 1, 2010) and the Bijou 24-19DU Well (April 6, 2010).

C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof.

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

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in December 2011, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: October \_\_\_\_, 2011

By: \_\_\_\_\_  
Kenneth A. Wonstolen  
William E. Sparks  
Beatty & Wozniak, P.C.  
216 Sixteenth Street-Suite 1100  
Denver, CO 80202-5115

Address of Applicant  
1775 Sherman Street, Suite 3000  
Denver, CO 80203-4341

**VERIFICATION**

STATE OF COLORADO                    )  
  )  
CITY AND COUNTY OF DENVER        )       ss.

Carrie Eggleston, of lawful age, being first duly sworn upon oath, deposes and says that she is the Landman for Petroleum Development Corporation d/b/a PDC Energy and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

\_\_\_\_\_  
Carrie Eggleston

Subscribed and sworn to before me this \_\_\_\_\_ day of October, 2011.

Witness my hand and official seal.

My commission expires:\_\_\_\_\_

\_\_\_\_\_  
Notary Public

**EXHIBIT B**

OMX Corporation  
1419 41st Avenue  
Greely, CO 80634

Anadarko E&P Company LP  
1099 18th Street, Suite 1800  
Denver, CO 80202

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

IN THE MATTER OF THE APPLICATION OF UNIOIL FOR AN ORDER POOLING ALL INTERESTS IN THE CODELL AND NIOBRARA FORMATIONS IN A 80- ACRE DRILLING AND SPACING UNIT IN WELD COUNTY, COLORADO		CAUSE NO. 407  DOCKET NO.
--	--	---------------------------------

**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 d/b/a PDC Energy and that on or before October \_\_, 2011 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 B to the Application.

\_\_\_\_\_  
William E. Sparks

Subscribed and sworn to before me October \_\_, 2011.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public