

**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  
DESIGNATED DRILLING AND SPACING UNITS 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 drilling and spacing units:

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

1. Section 16: E/2NE/4; Section 15: W/2NW/4 (Village 16VD U)
2. Section 16: S/2NE/4, N/2SE/4 (Village 16SD U)
3. Section 16: E/2NE/4 (Village 41-16D U and Village 42-16U)
4. Section 16: W/2NW/4; Section 17: E/2NE/4 (Village 16FD U)
5. Section 16: W/2NW/4 (Village 11-16D U)
6. Section 16: NW/4 (Village 16 AD)

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 Village 42-16U Well (spud date August 26, 2009) within its designated wellbore spacing unit with a surface location 2,151 feet FNL and 485 feet FEL and a bottom hole at the same location (vertical well) of its wellbore spacing unit.

Applicant drilled the Village 41-16DU Well (spud date August 21, 2009) within its designated wellbore spacing unit with a surface location 2,151 feet FNL and 463 feet FEL and a bottom hole location 549 feet FNL and 543 feet FEL of its wellbore spacing unit.

Applicant drilled the Village 16S-DU Well (spud date August 17, 2009) within its designated wellbore spacing unit with a surface location 2,151 feet FNL and 441 feet FEL and a bottom hole location 2,574 feet FNL and 1,333 feet FEL of its wellbore spacing unit.

Applicant drilled the Village 16F-DU Well (spud date July 7, 2009) within its designated wellbore spacing unit with a surface location 2,034 feet FNL and 703 feet FWL and a bottom hole location 1,301 feet FNL and 61 feet FWL of its wellbore spacing unit.

Applicant drilled the Village 16A-DU Well (spud date July 19, 2009) within its designated wellbore spacing unit with a surface location 2,060' FNL and 739' FWL and a bottom hole location 1,331 feet FNL and 1,284 feet FWL of its wellbore spacing unit.

Applicant drilled the Village 16V-DU Well (spud date August 12, 2009) within the designated wellbore spacing unit with a surface location 2,151 FNL and 419' FEL and a bottom hole location 1,347 feet FNL and 84 feet FEL of its wellbore spacing unit.

Applicant drilled the Village 11-16DU Well (spud date July 14, 2009) within the designated wellbore spacing unit with a surface location 2,047 feet FNL and 721 feet FWL and a bottom hole location 680 feet FNL and 617 feet FWL of its wellbore spacing unit.

6. Authorization for Expenditure ("AFE") and the option to participate in the drilling of each of these wells indicated in this Application, containing the information required by COGCC Rule 530.a, were sent to OMX Corporation (OMX), Yucca International SA (YASA) and Energy Partners, Ltd (EP) regarding these wells more than thirty (30) days prior to the date of the hearing on this Application. Applicant has been unable to determine an address for YASA despite diligent efforts. 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, YASA, EP 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 each of the wells included in this Application: the Village 42-16U Well (August 26, 2009); Village 41-16DU Well (August 21, 2009); Village 16S-DU Well (August 17, 2009); Village 16F-DU Well (July 7, 2009); Village 16A-DU Well (July 19, 2009); Village 16V-DU Well (August 12, 2009); and Village 11-16DU Well (July 14, 2009).

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 A.

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 each of the wells included in this Application: the Village 42-16U Well (August 26, 2009); Village 41-16DU Well (August 21, 2009); Village 16S-DU Well (August 17, 2009); Village 16F-DU Well (July 7, 2009); Village 16A-DU Well (July 19, 2009); Village 16V-DU Well (August 12, 2009); and Village 11-16DU Well (July 14, 2009).

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                    )  
  )     ss.  
CITY AND COUNTY OF DENVER        )

John Krattenmaker, of lawful age, being first duly sworn upon oath, deposes and says that he is the Landman for Petroleum Development Corporation d/b/a PDC Energy 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.

\_\_\_\_\_  
John Krattenmaker

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

Witness my hand and official seal.

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

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

## **EXHIBIT A**

OMX Corporation  
1419 41st Avenue  
Greely, CO 80634

Energy Partners, Ltd  
2833 Leonis Blvd  
Los Angeles, CA 90058

Yucca International SA (YASA)  
*Address Unknown*

Anadarko E & P Company LP  
109918th Street, Suite 1800  
Denver, CO 80202

William J Edwards  
*Address Unknown*

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

William J. Edwards  
*Address Unknown*

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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 DESIGNATED DRILLING AND SPACING UNIT IN WELD COUNTY, COLORADO		CAUSE NO. 407  DOCKET NO.
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**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 A 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