

**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 ALL)
NONCONSENTING INTERESTS IN THE)
CODELL-NIOBRARA FORMATIONS IN)
DESIGNATED WELLBORE SPACING UNITS)
LOCATED IN THE WATTENBERG FIELD, WELD)
COUNTY, COLORADO)

Cause No. 407

Docket No. _____

APPLICATION

COMES NOW, Petroleum Development Corporation d/b/a PDC Energy, ("Applicant"), by and through its undersigned attorneys, and on behalf of its wholly-owned subsidiary, Unioil, makes application to the Colorado Oil and Gas Conservation Commission ("Commission") for an order pooling all interests, as of the spud date for each well, within two designated wellbore spacing units for wells drilled to the Codell-Niobrara Formations located in Section 29, Township 4 North, Range 67 West, 6th P.M., Weld County, Colorado. In support thereof, 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 certain leasehold interests in the wellbore spacing units requested for pooling.

3. 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.

4. 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.

5. 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.

6. Applicant previously designated a 160-acre wellbore spacing units for the Application Lands described below for the production of oil and associated hydrocarbons from the Codell and Niobrara Formations pursuant to Rule 318A.a.(4)C and notified the appropriate parties under Rule 318A.e.(6). Applicant did not receive any objections within the 20-day response period to the establishment of such 160-acre wellbore spacing unit designation and has previously certified the same to the Commission.

7. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. §34-60-116 (6) and (7), seeks an order to involuntarily pool all interests not voluntarily pooled (including working interests and unleased mineral interests) in the Codell-Niobrara Formation underlying the following described 160 acre wellbore spacing units:

Reichert 29 PDU (Well Spacing Unit No. 1)
Township 4 North, Range 67 West, 6th P.M.
Section 29: E/2SW/4 and W/2SE/4

Reichert 29 SDU (Well Spacing Unit No. 2)
Township 4 North, Range 67 West, 6th P.M.
Section 29: S/2NE/4 and N/2SE/4

The wells listed above are shown on the map attached hereto as Exhibit A.

8. Applicant drilled the Reichert 29 PDU Well (spud date July 3, 2010) within the designated Wellbore Spacing Unit No. 1 with a surface location 2421 feet FSL and 2296 feet FEL of NW/4SE/4 of the Wellbore Spacing Unit No. 1 and a bottomhole location 1318 feet FSL and 2443 feet FEL of the NW/4SE/4 of its Wellbore Spacing Unit.

9. Applicant drilled the Reichert 29 SDU Well (spud date June 17, 2010) within the designated Wellbore Spacing Unit No. 2 with a surface location 2477 feet FSL and 2327 feet FEL of NW/4SE/4 of the Wellbore Spacing Unit No. 2 and a bottomhole location 2531 feet FSL and 1240 feet FEL of the NW/4SE/4 of its Wellbore Spacing Unit.

10. Exhibit B attached hereto lists leasehold owners for the Wellbore Spacing Units together with their addresses. OMX Corporation (OMX) has been offered the option to participate in the drilling of the wells. Such offers to OMX have been returned as undeliverable and Applicant has been unable to locate OMX or a successor in interest, despite diligent efforts.

11. Authorizations For Expenditure ("AFE's") containing the information required by COGCC Rule 530.a were sent to 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 offer to participate has been returned to Applicant as undeliverable, and Applicant has been unable to locate OMX or a successor in interest, despite diligent efforts.

12. The names and last-known addresses of OMX is set forth in Exhibit B, 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.

13. In order to prevent waste and to protect correlative rights, the non-consenting interest owner, OMX shown on Exhibit B, should be pooled as to each Wellbore Spacing Unit for the Codell-Niobrara Formations 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 OMX, 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 Formations as to each Wellbore Spacing Unit, and OMX be treated as a nonconsenting owner 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 each of the wells 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 ___ DAY OF OCTOBER, 2010:

BEATTY & WOZNIAK, P.C.

By: _____
Kenneth A. Wonstolen, #11090
William E. Sparks, #40064
216 16th Street, Suite 1100
Denver, CO 80202
303-407-4499

Applicant's Address:
1775 Sherman Street, Suite 3000
Denver, CO 80203

VERIFICATION

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

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, 2010.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT B
Interested Parties

Noble Energy, Inc.
1625 Broadway, Suite 2000
Denver, CO 80202

OMX Corporation
1419 41st Street
Greely, Colorado 80636
(last known address)

IN THE MATTER OF THE APPLICATION OF)
PETROLEUM DEVELOPMENT CORPORATION)
FOR AN ORDER POOLING ALL)
NONCONSENTING INTERESTS IN THE)
CODELL-NIOBRARA FORMATIONS IN)
DESIGNATED WELLBORE SPACING UNITS)
LOCATED IN THE WATTENBERG FIELD, WELD)
COUNTY, COLORADO)

Docket No.

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

That he is the attorney for Petroleum Development Corporation d/b/a PDC Energy that on or before October ____, 2010, 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.

Notary Public