

**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, NIOBRARA AND J SANDS 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, Niobrara and J Sands Formations on the following described drilling and spacing units:

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

1. Section 7: N/2SW/4 (Zeiler 13-7DU)
2. Section 7: S/2SW/4 (Zeiler 14-7DU)
3. Section 7: N/2SW/4 (Zeiler 23-7DU)
4. Section 7: S/2SW/4 (Zeiler 24-7DU)

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 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 for the production of oil and/or gas for the J Sands Formation and allow a second well to be drilled on said units for certain lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Sections 7, Township 5 North, Range 67 West, 6th P.M. is subject to this order.
4. 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. Sections 7, Township 5 North, Range 67 West, 6th P.M. is subject to this order.

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.

7. Authorization for Expenditure ("AFE") and the option to participate in the drilling of each of the Wells indicated in this Application, containing the information required by COGCC Rule 530.a, were sent to OMX Corporation (OMX) 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.

8. 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, Niobrara and J Sands Formations, including any nonconsenting interests therein.

9. 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 Zieler 13-7DU; Zeiler 14-7DU; Zeiler 23-7DU; and Zieler 24-7DU. A map of the Wells is attached as Exhibit A.

10. 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. Exhibit B.

11. 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, Niobrara and J Sands 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, Niobrara and J Sands 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 Zieler 13-7DU; Zeiler 14-7DU; Zeiler 23-7DU; and Zieler 24-7DU.

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 January 2012, 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: November \_\_\_\_, 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 B**

OMX Corporation  
1419 41st Avenue  
Greely, CO 80634

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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 Unioil, Petroleum Development Corporation d/b/a PDC Energy and that on or before November \_\_, 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 November\_\_\_\_, 2011.

Witness my hand and official seal.

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

**Notary Public**