

**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 d/b/a PDC Energy ("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.

- A. Section 15: E/2NW/4 (Edwards 21-15U well)
- B. Section 15: NW/4 (Edwards 15A-DU well)
- C. Section 15: W/2NW/4 (Edwards 11-15DU well)
- D. Section 15: E/2NW/4 (Edwards 22-15DU well)
- E. Section 15: W/2NW/4 (Edwards 12-15DU well)

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 the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.
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 Formation 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 Rule 318A for the Codell and Niobrara Formations.

5. 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.

6. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of each of the Edwards 21-15U well, Edwards 15A-DU well, Edwards 11-15DU well, Edwards 22-15DU well, and the Edwards 12-15DU well to the Codell and Niobrara Formations on the Application Lands. A map illustrating the aforementioned wells is attached hereto.

7. 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, or have already been, offered the opportunity to lease, or to participate in the drilling of the well, and will be provided with the information required by Rule 530. The interested parties list shall be filed with the Commission no later than seven (7) days after the filing of this application.

8. 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 earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of each of the Edwards 21-15U well, Edwards 15A-DU well, Edwards 11-15DU well, Edwards 22-15DU well, and the Edwards 12-15DU well to the Codell and Niobrara Formations on the Application Lands.

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 March, 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: January \_\_\_\_, 2012

Respectfully submitted:

**UNIOIL**

By:

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Jamie L. Jost  
Kenneth A. Wonstolen  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16th Street, Suite 1100  
Denver, Colorado 80202

Applicant's Address:

Unioil  
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 January, 2012.

Witness my hand and official seal.

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

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

## **EXHIBIT A**

OMX Corporation  
1419 41st Avenue  
Greely, CO 80634

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**AFFIDAVIT OF MAILING**

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

Jamie L. Jost, of lawful age, and being first duly sworn upon his oath, states and declares:

That she is the attorney for Unioil, Petroleum Development Corporation d/b/a PDC Energy and that on or before January \_\_, 2012 she 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.

\_\_\_\_\_  
Jamie L. Jost

Subscribed and sworn to before me January \_\_, 2012.

Witness my hand and official seal.

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

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