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

IN THE MATTER OF THE APPLICATION OF UNIOIL, CAUSE NO. WHOLLY OWNED SUBSIDIARY OF PETROLEUM DEVELOPMENT CORPORATION D/B/A PDC ENERGY FOR AN ORDER POOLING ALL INTERESTS IN THE CODELL AND NIOBRARA **FORMATIONS** DESIGNATED DRILLING AND SPACING UNITS IN WELD COUNTY, COLORADO

DOCKET NO.

### AMENDED APPLICATION

COMES NOW Unioil, a wholly owned subsidiary of Petroleum Development Corporation, d/b/a as 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 five (5) 80-acre wellbore spacing units and five (5) 160-acre wellbore spacing units for the Binder 22-10D U well, Binder 11-10D U well, Binder 12-10D U well, Binder 10AD U well, Binder 21-10D U well, Binder 32-10D U well, Binder 10O U well, Binder 10KD U well, Binder 10ND U well, and the Binder 10CD U well (collectively, the "Wells"):

## Township 4 North, Range 67 West, 6th P.M.

Section 10: E½NW¼ (Binder 22-10D U well) – Wellbore Spacing Unit #1

Section 10: W½NW¼ (Binder 11-10D U well) – Wellbore Spacing Unit #2

Section 10: W½NW¼ (Binder 12-10D U well) – Wellbore Spacing Unit #3

Section 10: NW1/4 (Binder 10AD U well) - Wellbore Spacing Unit #4

Section 10: E½NW¼ (Binder 21-10D U well) – Wellbore Spacing Unit #5

Section 10: W½NE¼ (Binder 32-10D U well) – Wellbore Spacing Unit #6

Section 10: SE¼NW¼, SW¼NE¼, NW¼SE¼, NE¼SW¼ (Binder 100 U well)

Wellbore Spacing Unit #7

Section 10: S½NW¼, N½SW¼ (Binder 10 KD U well)

- Wellbore Spacing Unit #8

Section 10: W½NW¼, E½NE¼ (Binder 10 ND U well)

- Wellbore Spacing Unit #9

Section 10: NE1/4 (Binder 10 CD U well) - Wellbore Spacing Unit #10

Weld County, Colorado

(hereinafter "Application Lands")

In support of its application, Applicant states and alleges as follows:

- 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.
- 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 designated five (5) 80-acre Wellbore Spacing Units and four (4) 160-acre Wellbore Spacing Units, as defined below, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.
- 6. 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 pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands in the Codell and Niobrara Formations underlying the **five (5)** 80-acre Wellbore Spacing Units and **five (5)** 160-acre Wellbore Spacing Units:

## Township 4 North, Range 67 West, 6th P.M.

Section 10: E½NW¼ (Binder 22-10D U well) – Wellbore Spacing Unit #1

Section 10: W1/2NW1/4 (Binder 11-10D U well) - Wellbore Spacing Unit #2

Section 10: W1/2NW1/4 (Binder 12-10D U well) - Wellbore Spacing Unit #3

Section 10: NW1/4 (Binder 10AD U well) - Wellbore Spacing Unit #4

Section 10: E½NW¼ (Binder 21-10D U well) - Wellbore Spacing Unit #5

Section 10: W½NE¼ (Binder 32-10D U well) - Wellbore Spacing Unit #6

Section 10: SE¼NW¼, SW¼NE¼, NW¼SE¼, NE¼SW¼ (Binder 100 U well)

Wellbore Spacing Unit #7

Section 10: S½NW¼, N½SW¼ (Binder 10 KD U well)

- Wellbore Spacing Unit #8

Section 10: W½NW¼, E½NE¼ (Binder 10 ND U well)

- Wellbore Spacing Unit #9

Section 10: NE1/4 (Binder 10 CD U well) – Wellbore Spacing Unit #10

(referred to herein as the "Wellbore Spacing Units").

- 7. 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 the Wells to the Codell and Niobrara Formations on the Application Lands.
- 8. 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 has already been, 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 interested parties list shall be filed with the Commission no later than seven (7) days after the filing of this application.

9. 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 Wellbore Spacing Units for the development of the Codell and Niobrara Formations, including the Wells drilled to said 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 any of the costs specified in C.R.S. § 34-60-116(7)(b)(II) were first incurred for the drilling of the Wells.
- 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 Wells are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to all Wells drilled to develop the Codell and Niobrara Formations in the Wellbore Spacing Units comprised of the Application Lands.
- 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 May, 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:	April	, 2012
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Respectfully submitted:

#### PETROLEUM DEVELOPMENT CORPORATION

By:

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

Applicant's Address:
Petroleum Development Corporation
ATTN: Marie McCord
1775 Sherman Street, Suite 3000
Denver, CO 80203-4341

## **VERIFICATION**

STATE OF COLORADO	
CITY AND COUNTY OF DENVER	) ss. )
he is landman for Unioil, a wholly owned	being first duly sworn upon oath, deposes and says that subsidiary of Petroleum Development Corporation, d/b/a the foregoing Application and that the matters therein ledge, information and belief.
	John Krattenmaker
Subscribed and sworn to before m Witness my hand and official seal.	
My commission expires:	
wy commission expires	
	Notary Public

## **EXHIBIT A**

Unioil, a wholly owned subsidiary of Petroleum Development Corporation d/b/a PDC Energy 1775 Sherman Street, Suite 3000 Denver, CO 80203-4341

Glen-Eyre Holdings 14150 Elderberry Road Golden, CO 80401

Sanco Services, Inc. P.O. Box 22101 Denver, CO 80222

West-Tex Drilling Company P.O. Box 3739 Abeline, TX 79604

West-Tex Drilling Company First National Bank Bldg. 400 Pine Street, Suite 700 Abeline, TX 79601

Binder Family Farms LLC 9783 County Road 46½ Milliken, CO 80543

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

IN THE MATTER OF THE APPLICATION OF CAUSE NO. PETROLEUM DEVELOPMENT CORPORATION FOR AN ORDER POOLING ALL INTERESTS IN THE DOCKET NO. CODELL AND NIOBRARA FORMATIONS IN DESIGNATED DRILLING AND SPACING UNIT IN WELD COUNTY, COLORADO
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 Petroleum Development Corporation d/b/a PDC Energy and that on or before April, 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 March, 2012.
Witness my hand and official seal.
My commission expires:
Notary Public