

**-BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF PDC
ENERGY, INC. FOR AN ORDER AMENDING ORDER
NO. 407-656 AND POOLING ALL INTERESTS IN THE
CODELL AND NIOBRARA FORMATIONS,
WATTENBERG FIELD, IN FOUR MODIFIED LAYDOWN
80-ACRE DESIGNATED WELLBORE SPACING UNITS
LOCATED IN SECTION 10 TOWNSHIP 4 NORTH,
RANGE 67 WEST 6TH P.M., WATTENBERG FIELD,
WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW PDC Energy, Inc. ("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 to amend Commission Order No. 407-656 and to pool all interests for the development of the Codell and Niobrara Formations on the following described four (4) 80-acre wellbore spacing units for the Binder 22-10D U well (API No. 05-123-31149), Binder 11-10D U well (API No. 05-123-31515), Binder 12-10D U well (API No. 05-123-31519), and Binder 21-10D U well (API No. 05-123-32494) (collectively, the "Wells"):

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

Section 10: S $\frac{1}{2}$ NW $\frac{1}{4}$ (Binder 22-10D U well) – Wellbore Spacing Unit #1

Section 10: N $\frac{1}{2}$ NW $\frac{1}{4}$ (Binder 11-10D U well) – Wellbore Spacing Unit #2

Section 10: S $\frac{1}{2}$ NW $\frac{1}{4}$ (Binder 12-10D U well) – Wellbore Spacing Unit #3

Section 10: N $\frac{1}{2}$ NW $\frac{1}{4}$ (Binder 21-10D U well) – Wellbore Spacing Unit #4

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. On June 4, 2012, the Commission issued Order No. 407-656, which, among other things pooled all interests in the following four (4) 80-acre wellbore spacing units for the production of oil, gas and other associated hydrocarbons from the Codell and Niobrara Formations underlying the following lands, including the Application Lands:

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

Section 10: E $\frac{1}{2}$ NW $\frac{1}{4}$	(Binder 22-10D U well)
Section 10: W $\frac{1}{2}$ NW $\frac{1}{4}$	(Binder 11-10D U well)
Section 10: W $\frac{1}{2}$ NW $\frac{1}{4}$	(Binder 12-10D U well)
Section 10: E $\frac{1}{2}$ NW $\frac{1}{4}$	(Binder 21-10D U well)

6. Applicant designated the standup 80-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.

7. Applicant requests the Commission 1) amend Order No. 407-656 with respect to the Application Lands, altering the wellbore spacing units created in Order No. 407-656 for the Wells as described in the following four (4) designated laydown 80-acre Wellbore Spacing Units; and 2), pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. §34-60-116 (6) and (7), issue an order to pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands for the development of the Codell and Niobrara Formations underlying the following Wellbore Spacing Units:

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

Section 10: S $\frac{1}{2}$ NW $\frac{1}{4}$	(Binder 22-10D U well) – Wellbore Spacing Unit #1
Section 10: N $\frac{1}{2}$ NW $\frac{1}{4}$	(Binder 11-10D U well) – Wellbore Spacing Unit #2
Section 10: S $\frac{1}{2}$ NW $\frac{1}{4}$	(Binder 12-10D U well) – Wellbore Spacing Unit #3
Section 10: N $\frac{1}{2}$ NW $\frac{1}{4}$	(Binder 21-10D U well) – Wellbore Spacing Unit #4

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

Applicant will be filing a required Sundry Notice, Form 4, with the Commission for each of the above-referenced wells.

8. 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 Wells to the Codell and Niobrara Formations on the Application Lands.

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, 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.

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 four (4) laydown 80-acre 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 each 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.

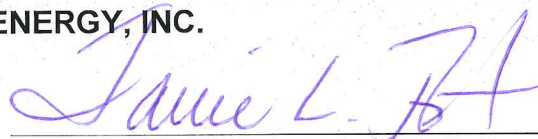
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in January, 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: November 2, 2012

Respectfully submitted:

PDC ENERGY, INC.

By:



Jamie L. Jost
Gregory J. Nibert Jr.
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202


Applicant's Address:

PDC Energy, Inc.
ATTN: Marie McCord
1775 Sherman Street, Suite 3000
Denver, CO 80203-4341

VERIFICATION

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

John Krattenmaker, of lawful age, being first duly sworn upon oath, deposes and says that he is the Landman for PDC Energy, Inc. 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.

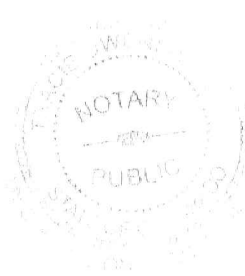


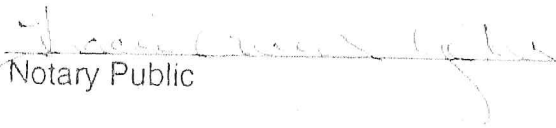
John Krattenmaker

Subscribed and sworn to before me this 20th day of October, 2012.

Witness my hand and official seal.

My commission expires: 2/5/14





Notary Public

EXHIBIT A

PDC Energy, Inc.
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 UNIOIL,
WHOLLY OWNED SUBSIDIARY OF PDC ENERGY,
INC. FOR AN ORDER AMENDING ORDER NO. 407-656
AND POOLING ALL INTERESTS IN THE CODELL AND
NIOBRARA FORMATIONS, WATTENBERG FIELD, IN
FOUR MODIFIED LAYDOWN 80-ACRE DESIGNATED
WELLBORE SPACING UNITS LOCATED IN SECTION
10 TOWNSHIP 4 NORTH, RANGE 67 WEST 6TH P.M.,
WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

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 PDC Energy, Inc. and that on or before November 13, 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 November 2, 2012.

Witness my hand and official seal.

My commission expires: April 16, 2016



Notary Public