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 TO POOL ALL INTERESTS IN AN APPROXIMATE 320-ACRE DESIGNATED WELLBORE SPACING UNIT ESTABLISHED FOR SECTION 6, TOWNSHIP 6 NORTH, RANGE 64 WEST, 6TH P.M. FOR THE CODELL-NIOBRARA FORMATION, 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 this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests in an approximate 320-acre designated wellbore spacing unit for the drilling of the Stille 12-6H Well (API No. 05-123-34410) ("Well") for the development of the Codell-Niobrara Formation on the following described lands:

Township 6 North, Range 64 West, 6th P.M. Section 6: N½

Weld County, Colorado (hereinafter "Application Lands").

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 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-Niobrara Formation 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 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. On August 8, 2011, Rule 318A was again amended to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell-Niobrara Formation.

- 5. Applicant designated an approximate 320-acre wellbore spacing unit as defined below, for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.
- 6. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands for the development of the Codell-Niobrara Formation underlying the following approximate 320-acre designated wellbore spacing unit:

Township 6 North, Range 64 West, 6th P.M. Section 6: N½

(hereafter, "the Wellbore Spacing Unit").

- 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 Well to the Codell-Niobrara Formation 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 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 as applicable. The list of such interested parties is attached hereto as Exhibit A.
- 9. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit should be pooled for the orderly development of the Codell-Niobrara Formation, 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 and the Wellbore Spacing Unit for the development of the Codell-Niobrara Formation.
- 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) are first incurred for the drilling of each of the Well to the Codell-Niobrara Formation 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 Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to the Well drilled to develop the Codell-Niobrara Formation in the Wellbore Spacing Unit comprising 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 October, 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: August 25, 2013.

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
(303) 407-4499

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 })

Eric Swenson, of lawful age, being first duly sworn upon oath, deposes and says that he is the Regional 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.

Eric Swenson Regional Landman PDC Energy, Inc.

Subscribed and sworn to before this 28 day of August, 2013.

Witness my hand and official seal.

[SEAL]

My commission expires: 3/5/14



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 TO POOL ALL INTERESTS IN AN APPROXIMATE 320-ACRE DESIGNATED WELLBORE SPACING UNIT ESTABLISHED FOR SECTION 6, TOWNSHIP 6 NORTH, RANGE 64 WEST, 6TH P.M. FOR THE CODELL-NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING

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

Danielle Carroll of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for PDC Energy, Inc., and on or before September 5, 2013, 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.

Danielle Carroll

Subscribed and sworn to before me on August <u>28</u>, 2013.

Witness my hand and official seal.

My commission expires: 3/3/45

Notary Public

MARY GRACE T. GO-HOVELAND Notary Public State of Colorado

Exhibit A

PDC Energy, Inc. 1775 Sherman Street, Suite 3000 Denver, CO 80203-4341 Bonnie Marie Gustafson Cooper 37627 Weld County Road 39 Eaton, CO 80615

Anadarko E & P Company LLP P.O. Box 173779 Denver, CO 80217 Dillard Family LLC P.O. Box 333 Galeton, CO 80622

Steven Musgrave c/o Wayne Pinkstaff 35889 Pacific Avenue Galeton, CO 80622 Galeton Baptist Church P.O. Box 696 Galeton, CO 80622

Lions Club of Galeton c/o Max Beavers36 Torreys Court Livermore, CO 80536 Galeton Fire Protection P.O. Box 697 Galeton, CO 80622

Elda Jo Fulbright P.O. Box 329 Galeton, CO 80622 Francisco Galindo & Georgina Galindo J/T 2345 West 16th Street Apt 202

Greeley, CO 80634

N.V. Carney c/o Dr. John R. Carney 7833 E. Crestwood Way Scottsdale, AZ 85250 Marcos Garza & Candelaria Garza, JT P.O. Box 328 Galeton, CO 80622

Charles D. Coppage 300 Woerner Road, Apt 1042 Houston, TX 77090-8535 Viola Gutierrez P.O. Box 755 Galeton, CO 80622

Martha Shuler P.O. Box 714 Galeton, CO 80622 Robert Hergert & Arelene Hergert, JT 106 S 5th Street LaSalle, CO 80645

Anadarko Land Corporation 1099 18th Street Suite 1800 Denver, CO 80202 Keith Klussman 375 Elm Avenue Larkspur, CA 94939

Steven L. Bowman P.O. Box 753 Galeton, CO 80622

Ron Kreps & Janet Kreps 35885 Grandview Avenue Eaton, CO 80615 Catherine Kuhlman 3220 Co. Road 531 Burleson, TX 76028

Gerald R. Walls P.O. Box 776 Galeton, CO 80622

Kathryn A. Luepschen & Ronald T. Meek, JT 38747 WCR 63 Galeton, CO 80622 William W. Warren P.O. Box 762 Galeton, CO 80622

J. Gale Moody & Valarie A. Moody P.O. Box 747 Galeton, CO 80622

Weld County School District RE-2 200 Park Avenue Eaton, CO 80615

Edward L. Ryan & Sharon K. Ryan P. O. Box 747 Galeton, CO 80622 Bette Sue Wood 527 Remington Fort Collins, CO 80524

Manuel M. Salazar, Jr. 35931 Pacific Avenue P.O. Box 743 Galeton, CO 80622 Doris S. Wood 200 E.B Browning Centralia, WA 98531

Homer W. Sheets, individually and as POA for Karen E. Sheets 24797 3rd Street Box 773 Galeton, CO 80622 James G. Wood 378 Lake View Pointe Glade Hill, VA 24092

Donald E. Sporleder & Barbars A. Sporleder 35925 Grand Avenue P.O. Box 322 Galeton, CO 80622 Barbara J. Young P.O. Box 752 Galeton, CO 80622

Joan E. Taggart 312 East 6th Street Gregory, SD 57533

Shiela Torres 3593 Pacific Avenue Galeton, CO 80622